GOVERNMENT OF ALBERTA MINISTRY OF

INTERNATIONAL AND INTERGOVERNMENTAL RELATIONS

31ST ANNUAL REPORT

FOR THE FISCAL YEAR APRIL 1, 2003 - MARCH 31, 2004

Alberta
GOVERNMENT OF ALBERTA

105-02598/

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PREFACE

The Public Accounts of Alberta are prepared in accordance with the *Financial Administration Act* and the *Government Accountability Act*.

The Public Accounts consist of the annual report of the Government of Alberta and the annual reports of each of the twenty four ministries.

The annual report of the Government of Alberta released June 29, 2004 contains the Minister of Finance's accountability statement, the consolidated financial statements of the Province and a comparison of the actual performance results to desired results set out in the government's business plan, including the Measuring Up Report.

This Ministry of International and Intergovernmental Relations annual report contains the Minister's accountability statement, the audited financial statements of the ministry and a comparison of actual performance results to desired results set out in the ministry business plan.

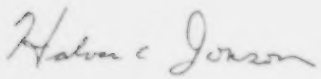
This annual report also includes other financial information as required by the *Financial Administration Act* and *Government Accountability Act*, either as separate reports or as a part of the financial statements, to the extent that the ministry has anything to report.

The Ministry of International and Intergovernmental Relations is a single entity and does not have regulated funds, provincial agencies, or government controlled corporations, as part of its operations.

MINISTER'S ACCOUNTABILITY STATEMENT

The Ministry of International and Intergovernmental Relations' Annual Report for the year ended March 31, 2004, was prepared under my direction in accordance with the *Government Accountability Act* and the government's accounting policies.

All of the government's policy decisions as at September 7, 2004 with material economic or fiscal implications of which I am aware have been considered in the preparation of this report.



Halvar C. Jonson
Minister of International and Intergovernmental Relations

MESSAGE FROM MINISTER JONSON

Honourable Halvar Jonson
Minister

It is my pleasure to present the annual report of Alberta International and Intergovernmental Relations (IIR) for the fiscal year ended March 31, 2004.

IIR ensures Alberta maintains relations with the federal government, provincial governments, and other nations.

Unique among provincial ministries, IIR is entirely policy oriented. It does not provide specific programs directly to Albertans. Instead, the ministry supports other ministries to help them achieve their goals.

During the past year, the ministry maintained its tradition of service excellence. IIR provided assistance to ensure Alberta continues to have an influential role in Canada; explores and realizes benefits from closer ties with foreign lands; and reduces barriers to trade so that Albertans have improved access to domestic and foreign products and markets.

Significant developments marked Canadian federal-provincial relations in 2003-2004. Alberta played an important role in the founding of a new national institution - the Council of the Federation.

Comprised of all of Canada's premiers and territorial leaders, the council's goals are to strengthen interprovincial-territorial cooperation; promote relations between governments; and exercise leadership on issues important to Canadians.

IIR had a lead role in a ground breaking agreement between Alberta and British Columbia. Under the Alberta-B.C. Protocol of Cooperation, the two provinces will develop joint initiatives on trade and investment; promote government efficiency and reduce the cost of government services; identify best practices and share innovations; and work cooperatively on national issues of mutual concern.

The ministry provided support so Albertans could have their say on our role in Canada. Alberta's MLA Committee on Strengthening Alberta's Role in Confederation held public forums in a dozen communities across the province and received more than 700 pieces of input through submissions, correspondence, and web comments. I look forward to being presented with the committee's report in the new fiscal year.

Improving relations with the United States, Alberta's largest trading partner, was a focus for IIR in 2003-2004.

The discovery of a single animal in Alberta with bovine spongiform encephalopathy (BSE), or mad cow disease, resulted in the United States and 30 other countries closing their borders to Canadian beef and cattle.

The ministry provided support for missions to the U.S. by the premier, cabinet ministers, Members of the Legislative Assembly, and government officials on the BSE situation. Many of the missions also provided the opportunity to better inform Americans about Alberta's secure and abundant energy supplies.

During the past year, considerable time and resources were devoted to strengthening Alberta's other international relationships.

For the first time ever, an Alberta premier made an official visit to India. Alberta welcomed delegations from its sister provinces of Jalisco, Mexico, and Saxony, Germany.

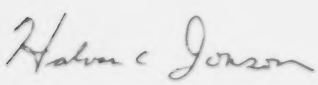
The ministry's International Governance Office managed training programs for officials who came to Alberta from China, including Heilongjiang, Alberta's sister province; South Africa; Russia; and Ukraine.

With over one-third of Alberta's jobs dependent upon trade, IIR has a crucial role ensuring the free flow of goods across the country and around the world. IIR provided leadership in the revitalization of the Agreement on Internal Trade (AIT) and continues to pursue improvements to the AIT.

The ministry developed a discussion paper on trade remedies and a comprehensive position for Alberta as part of the Canadian delegation at negotiations that took place through the World Trade Organization. The ministry played a similar role in the Free Trade Agreement of the Americas conference; Canada-European Union bilateral negotiations; and North American Free Trade Agreement commission meeting.

These are but a few examples in the ministry's long list of achievements during the past year. The following pages of the annual report provide more comprehensive examples.

There is no doubt the coming year will again be full of challenges and opportunities. The ministry anticipates: fulfilling its role in strengthened ties between Alberta and the U.S. through a new Alberta Office in Washington, D.C.; continuing development of the Council of the Federation to ensure the federal government respects the role of the provinces in Confederation and advancing the debate on health care renewal and sustainability; and developing strategies and agreements so that Alberta products and resources continue to have access to foreign and domestic markets.



Halvar C. Jonson
Minister of International and Intergovernmental Relations

MANAGEMENT'S RESPONSIBILITY FOR REPORTING

The Ministry of International and Intergovernmental Relations is a single entity and does not have regulated funds, provincial agencies, or government entities as part of its operations.

The executives of the individual entities within the ministry have the primary responsibility and accountability for the respective entities. Collectively, the executives ensure the ministry complies with all relevant legislation, regulations and policies.

Ministry business plans, annual reports, performance results, and the supporting management information are integral to the government's fiscal and business plans, annual report, quarterly reports and other financial and performance reporting.

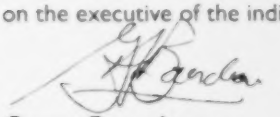
Responsibility for the integrity and objectivity of the financial statements and performance results for the ministry rests with the Minister of International and Intergovernmental Relations. Under the direction of the Minister, I oversee the preparation of the ministry's annual report, including financial statements and performance results.

The financial statements and the performance results, of necessity include amounts that are based on estimates and judgments. The consolidated financial statements are prepared in accordance with the government's stated accounting policies.

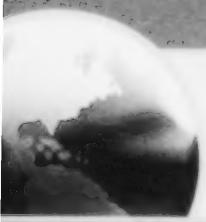
As Deputy Minister, in addition to program responsibilities, I establish and maintain the ministry's financial administration and reporting functions. The ministry maintains systems of financial management and internal control which give consideration to costs, benefits, and risks that are designed to:

- Provide reasonable assurance that transactions are properly authorized, executed in accordance with prescribed legislation and regulations, and properly recorded so as to maintain accountability of public money;
- Provide information to manage and report on performance, safeguard the assets and properties of the Province under ministry administration;
- Provide Executive Council, Treasury Board, the Minister of Finance and the Minister of International and Intergovernmental Relations any information needed to fulfill their responsibilities, and
- Facilitate preparation of ministry business plans and annual reports required under the *Government Accountability Act*.

In fulfilling my responsibilities for the ministry, I have relied, as necessary, on the executive of the individual sections within the ministry.



Gerry Bourdeau
Deputy Minister of International and Intergovernmental Relations
September 7, 2004



OVERVIEW

- MINISTRY VISION AND MISSION
- MINISTRY CORPORATE STRUCTURE
- OPERATIONAL OVERVIEW
- SUMMARY OF KEY ACTIVITIES

VISION AND MISSION STATEMENTS

Our Vision ...

A strong Alberta, active in an open world and in a prosperous, united Canada.

Our Mission ...

To lead development of government wide strategies and policies for Alberta's relations with international governments and organizations, and with federal, provincial, and territorial governments in Canada.

Our Core Business ...

Sound government-to-government relationships are key to securing Alberta's future well-being and to achieving the ministry vision of providing leadership in the management of Alberta's international and intergovernmental relationships.

To fulfill this leadership role, it is essential to coordinate Alberta's strategies. Development and implementation of strategies requires close cooperation with other Alberta ministries, as well as public and private organizations.

Key services provided by the ministry are:

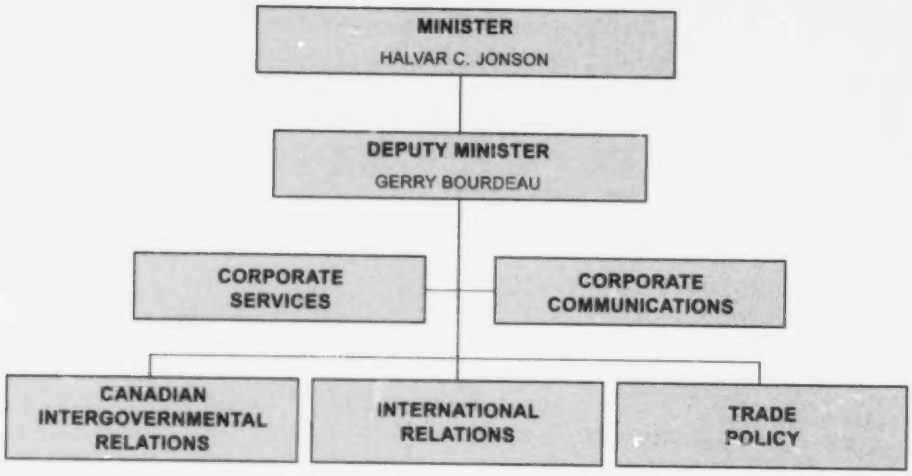
- Advancing Alberta's interests through intergovernmental negotiations and discussions.
- Coordinating Alberta's strategies relating to international and intergovernmental relations.
- Providing strategic advice and policy analysis to Alberta ministries and other clients.
- Obtaining, disseminating, and analyzing information for Alberta ministries and other clients.

Our Goals ...

The ministry's key goals are to promote the interests of and secure benefits for Alberta:

- As an equal partner in a revitalized and united Canada.
- From strengthened international relations.
- From greater trade and investment liberalization, domestically and internationally.

CORPORATE STRUCTURE



Minister Jonson's Contact Information ...

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Edmonton, Alberta
T5K 2B6

Phone | 1-780-427-2585

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Ministry Contact Information ...

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10155 - 102 Street
Edmonton, Alberta
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Phone | 1-780-422-1510

Facsimile | 1-780-423-6654

Via E-Mail | feedback@inter.gov.ab.ca

Website | www.iir.gov.ab.ca

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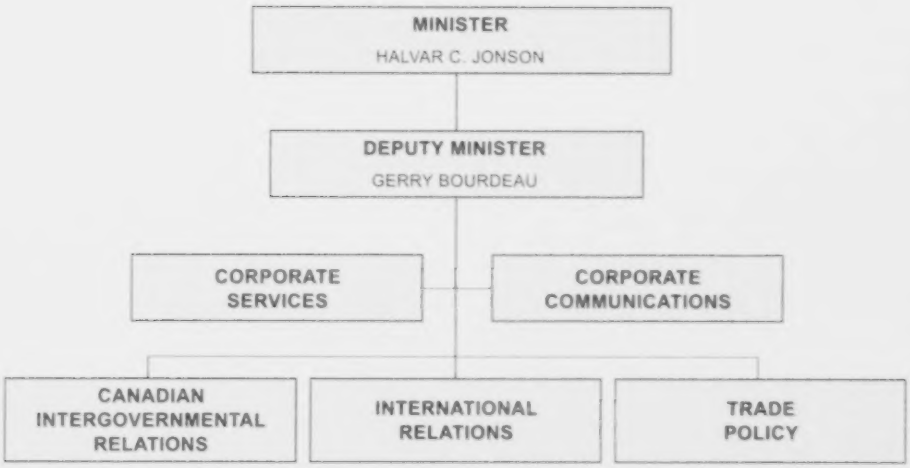

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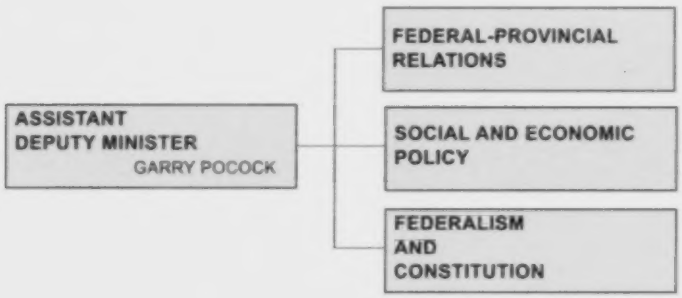
OPERATIONAL OVERVIEW

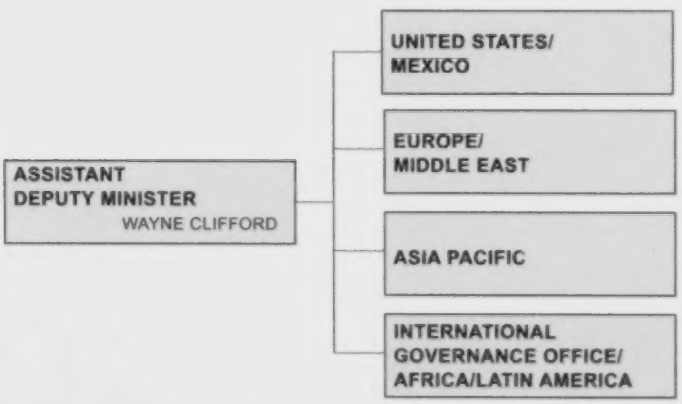
The Canadian Intergovernmental Relations Section ...

Works with other Alberta ministries and the federal government to ensure Alberta's interests are represented in the Canadian Federation. This section of the ministry is composed of three teams working under the direction of an assistant deputy minister.



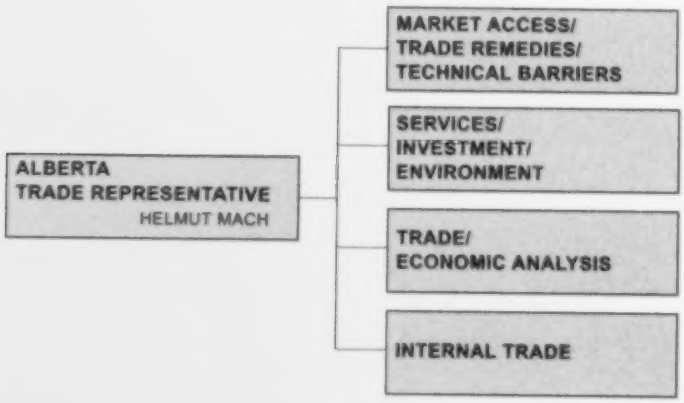
The International Relations Section ...

Works with other Alberta government ministries to advance Alberta's strategic international interests, and develop and advance Alberta's international relationships.
This section of the ministry is composed of four teams working under the direction of an assistant deputy minister.



The Trade Policy Section ...

Deals with domestic and international trade and investment agreements, negotiations, and disputes affecting Albertans.
It pursues policies that meet Alberta's objectives of reducing trade and investment barriers.
This section of the ministry is composed of four teams working under the direction of Alberta's Trade Representative.



The Corporate Services Section ...

Provides a variety of services to assist other sections of the ministry in achieving their goals.
The section coordinates provision of:

- Financial services
- Human resource services
- Information technology services
- Administrative services

through shared services arrangements with Alberta Learning and the Alberta Corporate Service Centre.
Financial, information technology, and administrative services of this section also support the ministry of Alberta Aboriginal Affairs and Northern Development.
The Corporate Services Section also coordinated translation and interpretation services for ministries.
In 2003-2004, this section worked under the direction of a director, Lori Sajjad.

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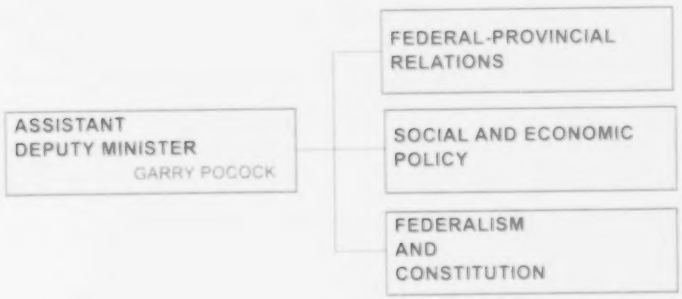

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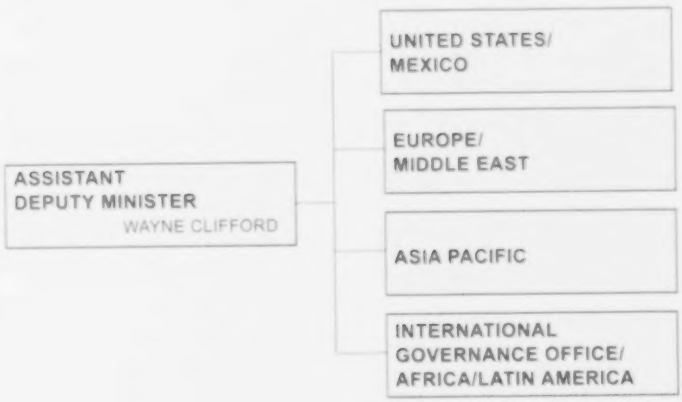

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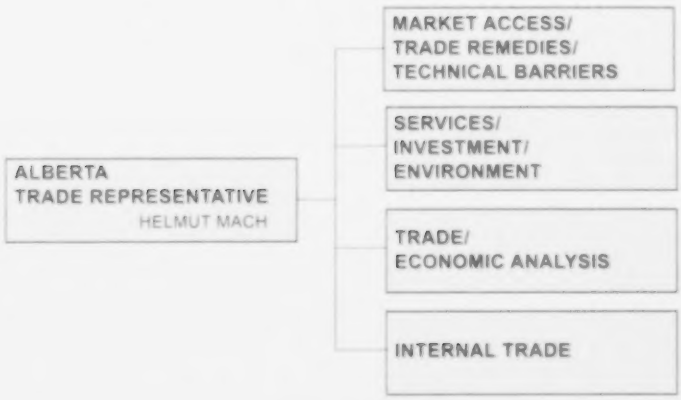

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In 2003-2004, this section worked under the direction of a director, Lori Sajjad.

The Corporate Communications Section ...

Provides a wide range of services to the ministry including writing support, strategic communications planning and issues management, media monitoring and media relations, advertising and printing services, responding to public inquiries, and coordination of the internet home page at www.iir.gov.ab.ca

Staff in this section are deployed to work in the ministry by the Government of Alberta Public Affairs Bureau.

This section of the ministry works under the direction of a director, Kathryn Wiegers.

SUMMARY OF KEY ACTIVITIES

Promoting the interests of and securing benefits for Alberta as an equal partner in a revitalized, united Canada ...

Council of the Federation

With the creation of the Council of the Federation on December 5, 2003, the provinces and territories established their own institution and took an important first step for the future of Canada.

The Council is comprised of Canada's 13 premiers and territorial leaders. Its objectives are to strengthen interprovincial-territorial cooperation, promote relations between governments, and exercise leadership on issues of importance to Canadians.

Alberta-British Columbia Joint Cabinet Meeting

On October 8, 2003, Alberta and British Columbia signed an historic overarching Protocol of Cooperation committing the provinces to develop joint initiatives on trade and investment, promote government efficiency, reduce the cost of government services, identify best practices, share innovations, and work cooperatively on national issues of mutual concern.

MLA Committee on Strengthening Alberta's Role in Confederation

In November 2003, Premier Ralph Klein established a government MLA Committee on Strengthening Alberta's Role in Confederation. The committee was given the task of soliciting input on the current state of federal-provincial relations, to learn what ideas Albertans have to strengthen and improve those relations, as well as reviewing other matters such as an Alberta pension plan, a provincial police force, and an Alberta tax collection system.

The committee is scheduled to provide a report with recommendations to the Minister of International and Intergovernmental Relations, the Honourable Halvar Jonson, in June 2004.

Security

The Alberta government continues to monitor world events and will take the necessary steps to protect Albertans, in cooperation with federal and municipal authorities.

Under Alberta's Security Task Force, chaired by Minister Jonson, Alberta has examined the real dangers and has put solid plans in place. Alberta continues to be assured by intelligence officials that there is no perceived security threat to the province.

Promoting the interests of and securing benefits for Alberta from strengthened international relations ...

Improved Canada-United States Relations

The United States is, by far, the most important economic partner to Alberta. In February 2004, the Government of Alberta announced its intention to open an Alberta Office in Washington, D.C. to advance Alberta's economic and policy interests in key areas such as energy and agriculture; and help expand the province's contacts with high-level decision makers and policy makers in the province's largest and most important market.

Premier's Missions to Washington, D.C.

As part of concerted efforts to encourage the United States and other countries to reopen their borders to Canadian cattle and beef, Premier Klein led a mission to Washington, D.C. in June 2003. The premier met with U.S. Vice President Dick Cheney, other high-level American political leaders, and with representatives of U.S. agriculture and food industry associations.

The premier also updated American officials on developments in Alberta's energy industry, its position on the softwood lumber dispute, and border security measures.

Premier Klein again traveled to Washington, D.C. in March 2004 to present the province's position on BSE issues to American leaders, and to deliver the province's comments on the proposed rule that would re-open U.S. borders to Canadian beef, cattle and other ruminants. The Alberta delegation met with U.S. officials and industry groups, including top officials from the United States Department of Agriculture and members of the Senate and House committees on agriculture and livestock.

Premier's Mission to India

In January 2004, Premier Klein led the first mission to India by an Alberta premier. It was also the first official Alberta ministerial visit to India in 20 years. The mission focused on exploring initiatives of mutual benefit with Indian business and government leaders.

Minister's Mission to Europe

Minister Jonson undertook a mission to Europe in May 2003 to advance Alberta's position in international trade negotiations and enhance Alberta's relationships with Germany and the United Kingdom.

Promoting the interests of and securing benefits for Alberta from greater trade and investment liberalization both domestically and internationally ...

Ministerial Committee on Internal Trade

Alberta has continued to pursue its domestic trade priorities through the Council of the Federation initiative with the focus on achieving goals set by the Council, through new negotiations to improve and broaden the existing Agreement on Internal Trade (AIT).

Alberta has also pursued its bilateral trade objectives with British Columbia as an initiative under the Alberta-B.C. Protocol of Cooperation. Alberta's private sector interests concerning domestic trade will be defended as a result of the province's involvement in a number of AIT disputes and panels that will occur in the coming year.

Canada-U.S. Softwood Lumber Dispute

The Alberta government has worked closely with the federal government, other provincial governments, and industry on issues of common interest in the on-going softwood lumber dispute with the United States.

Since May 2002, the U.S. has imposed countervailing and anti-dumping duties of 27 per cent on imports of softwood lumber from Canada. Canada responded by pursuing several separate legal challenges to U.S. actions through the World Trade Organization and North American Free Trade Agreement.

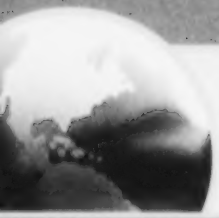
Several panel rulings over the last year were favourable to Canada. However, these legal proceedings have not concluded and have therefore not yet resulted in any change in the duty levels. During these proceedings, the Alberta government has worked to defend Alberta programs and ensure Alberta positions were reflected in Canada's legal arguments.

The Alberta government has also been involved in discussions surrounding long-term and interim agreement proposals developed and discussed over the past year as a way to arrive at a negotiated settlement to the dispute.

WTO Negotiations

WTO Ministers met in September 2003 at the Cancun WTO Ministerial Conference to discuss international trade liberalization. The Minister of IIR attended the conference and expressed Alberta's support for the total elimination of all types of agricultural export subsidies, as well as reductions in trade and production-distorting domestic supports, and the eventual elimination of all market access restrictions for agricultural goods.

While WTO ministers were unable to reach an agreement on a framework for modalities for making future commitments, including in the area of agriculture, WTO negotiations have continued.



RESULTS ANALYSIS

- EXPENSES BY CORE BUSINESS
- DISCUSSION AND ANALYSIS OF RESULTS
- REPORT OF THE AUDITOR GENERAL ON THE RESULTS OF APPLYING SPECIFIED AUDITING PROCEDURES TO KEY PERFORMANCE MEASURES
- PERFORMANCE MEASURES AND METHODOLOGY

MINISTRY EXPENSES BY CORE BUSINESS

The ministry's financial performance was within budget targets and no significant variances arose in comparison to budget for the fiscal year ended March 31, 2004.

International and Intergovernmental Relations has one core business - intergovernmental relations.

Key services provided by the ministry are:

- Advancing Alberta's interests through intergovernmental negotiations and discussions.
- Coordinating Alberta's strategies related to international and intergovernmental relations.
- Providing strategic advice and policy analysis to Alberta ministries and other clients.
- Obtaining, disseminating, and analyzing information for Alberta ministries and other clients.

MINISTRY EXPENSES BY CORE BUSINESS

Year April 1, 2003 to March 31, 2004

(in thousands of dollars)

Core Business	2003-2004 Budget	2003-2004 Actual	2002-2003 Actual
Intergovernmental Relations	$ 6,468	$ 6,482	$ 6,060
TOTAL MINISTRY EXPENSE	**6,468**	**6,482**	**6,060**

DISCUSSION AND ANALYSIS OF RESULTS

GOAL 1:

PROMOTING THE INTERESTS OF AND SECURING BENEFITS FOR ALBERTA AS AN EQUAL PARTNER IN A REVITALIZED, UNITED CANADA

KEY RESULT 1.1:

EFFECTIVE PARTICIPATION BY ALBERTA IN THE CANADIAN FEDERATION

Premier's Conferences

Alberta participated in numerous conferences, including the:

- Western Premiers' Conference in Kelowna, June 2003
- Annual Premiers' Conference in Charlottetown, July 2003
- Premiers' meeting with Paul Martin in Regina, November 2003
- First Ministers' Meeting in Ottawa, January 2004
- Council of the Federation meetings:
  - Premiers' meeting in Quebec City, October 2003 (discussions on founding the Council)
  - Premiers' meeting in Charlottetown, December 2003 (signing of the Council's founding agreement)
  - Premiers' meeting in Vancouver, February 2004
- Alberta-British Columbia Joint Cabinet Meeting in Calgary, October 2003

DID YOU KNOW?

The Western Premiers' Conference is held annually and its location rotates between B.C., Alberta, Saskatchewan, Manitoba, Yukon, Northwest Territories, and Nunavut. The 2005 Conference is scheduled to be held in Lloydminster, Alta./Sask.

Council of the Federation

On December 5, 2003, Premier Klein, along with all other provincial and territorial premiers, signed an historic agreement establishing the Council of the Federation as part of their plan to play a leadership role in revitalizing the Canadian Federation.

The Council was established to institute a new era of intergovernmental collaboration, beyond annual premiers' meetings. The Council's founding agreement sets out the parameters and goals of the new institution and has proven to be effective in advancing Alberta's issues.

The focus of Canadian intergovernmental initiatives this past year were three non-constitutional priorities identified by Premier Klein:

- Regular Annual First Ministers' Meetings, with agendas that are jointly determined between premiers and the prime minister;
- A formalized provincial role in international agreements related to areas of provincial jurisdiction;
- Senate appointments from lists of provincial nominees.

MINISTRY EXPENSES BY CORE BUSINESS

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- Regular Annual First Ministers' Meetings, with agendas that are jointly determined between premiers and the prime minister;
- A formalized provincial role in international agreements related to areas of provincial jurisdiction;
- Senate appointments from lists of provincial nominees.

Pursuing an effective strategy, Alberta was able to make significant progress on these priorities:

- Prime Minister Martin agreed to hold annual First Ministers' Meetings;
- Federal-provincial-territorial work is ongoing toward a formalized role for provincial participation in international agreements. Premiers agreed there is a need for provincial involvement in international agreements that affect their responsibilities;
- Premiers agreed to develop new models for selecting individuals to serve in key national institutions, such as the Senate and Supreme Court of Canada, to ensure provincial and territorial interests are adequately reflected and accommodated.

Alberta also pursued other priorities during the past year, including:

- Health care - securing the Canada Health and Social Transfer $2 billion top up;
- Increasing cooperation between provinces and territories;
- BSE - working to reopen U.S. borders to Canadian beef exports;
- Maintaining and improving Canada-U.S. relations;
- Developing a strategic approach to the Council of the Federation and First Ministers' Meetings, as well as supporting the premier at conferences to help ensure that Alberta's objectives are met;
- Coordinating input from other ministries and helping to ensure the first Alberta-B.C. Joint Cabinet Meeting was productive and successful.

Alberta achieved its objectives at a variety of interprovincial and federal-provincial meetings:

- Numerous memorandums of understanding were agreed to at the Alberta-B.C. Joint Cabinet Meeting;
- Alberta raised and participated in discussions on several issues, including revitalizing federal-provincial relations, Canada-U.S. relations, and BSE.
- IIR worked with Alberta Finance and Alberta Health and Wellness on health care financing and with Alberta Finance on equalization. IIR also participated in intergovernmental discussions on the Council of the Federation's Office of Fiscal Imbalance;
- IIR worked closely with other ministries in preparing for meetings and conferences and providing briefing information for the premier.

Intergovernmental Agreements

IIR assisted other provincial government ministries in negotiating and finalizing a number of intergovernmental agreements over the past year. Based on the results of a joint IIR-Office of the Auditor General review of the processes for handling intergovernmental agreements conducted in 2002-2003, IIR has established a work plan to update the management of intergovernmental agreements. This updating process is ongoing and is expected to be completed and in place during the 2004-2005 fiscal year.

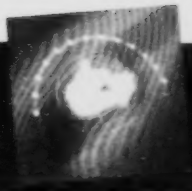
KEY RESULT 1.2:

A CANADIAN FEDERAL SYSTEM THAT BETTER SERVES ALBERTANS' NEEDS

Social Union Framework Agreement (SUFA)

In May 2003, IIR released Alberta's second mobility report under SUFA, noting that Alberta removed the three barriers identified in Alberta's first mobility report:

- Alberta Community Development initiated steps to reduce the Home Adaptation Program's residency requirement to three months, consistent with the SUFA Mobility Review.
  When responsibility for the program subsequently moved to the Alberta Seniors ministry, the residency requirement was eliminated.
- Alberta Human Resources and Employment has reduced the residency requirement for the Skills Development Program to three months.
- Alberta Learning has revised Alberta Student Loan guidelines to confirm full portability of Alberta Student Loans, at both the undergraduate and graduate levels.
  Alberta Learning provided an additional $5 million in its 2002-2003 Business Plan to cover costs.



DID YOU KNOW?

The Council of the Federation was established on December 5, 2003. It is a forum for provincial and territorial premiers to work together on issues of mutual interest or concern.

COUNCIL of the FEDERATION

Alberta ministries responsible for social programs also reviewed their new program initiatives for potentially unreasonable barriers to mobility. No barriers were found.

Social programs provided by delegated authorities were also examined and no unreasonable barriers were identified.

The report on the three-year review of SUFA was completed in June 2003. IIR coordinated Alberta's participation in the review process. This report fulfills the commitment in SUFA made by First Ministers (except the premier of Quebec) to jointly undertake a review of the agreement by the end of its third year. The review included consultations with Canadians, a consultation process with National Aboriginal Organizations, internal assessments by each participating jurisdiction, and an exchange of views through government-to-government dialogue. The report includes a series of recommendations intended to guide governments in their future implementation of the agreement.

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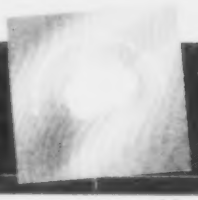

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Infrastructure Development

IIR continued throughout the year to work closely with Alberta Transportation to secure federal support for development of infrastructure throughout the province through three existing major federal/provincial infrastructure agreements. This effort has been successful.

Alberta has received matching federal funding and improved collaborative working relations with the federal government on municipal infrastructure projects and major highway improvements such as the Anthony Henday Drive in Edmonton and the Stoney Trail in Calgary.

Together with all provinces and territories, Alberta has advocated strongly for major new infrastructure funding from the federal government more in line with the amount of revenue the federal government collects from its fuel tax. Alberta has also presented its views on the need for a national infrastructure plan relevant to all jurisdictions.

IIR has provided advice and assistance to Alberta Transportation in negotiations with British Columbia to establish agreements that would increase cooperation and efficiency of management of border transportation issues such as joint weigh scales and traveller information messaging.

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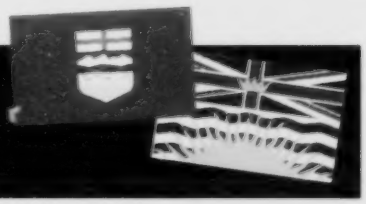
The Alberta-B.C. Joint Cabinet Meeting was first held in Calgary in October 2003. Alberta Premier Ralph Klein and B.C. Premier Gordon Campbell signed a protocol, commiting their governments to working more closely together.



Securities

Chaired by the Alberta Minister of Revenue, provincial ministers responsible for securities regulation continued to work toward a better securities regulation system for Canada.

The federal *Wise Persons Committee Report* to the federal Minister of Finance recommended that the federal government begin to work toward the creation of a single national securities regulator. The committee's report recommends that the federal government undertake this initiative in conjunction with the provinces.

Securities regulation is an area of provincial jurisdiction. As a result, IIR provided advice and assistance as Alberta Revenue sought to continue provincial leadership on this issue.

Privacy in the Public Sector

IIR has worked closely with Alberta Justice and Attorney General, Alberta Government Services and Alberta Health and Wellness to assess the impact of the federal *Personal Information and Protection Electronic Documents Act*

on personal information held by provincial agencies and departments and the provincially regulated private sector.

IIR will continue to work closely with other provincial ministries and stakeholders to ensure that both the privacy of Albertans and the jurisdiction of the province is protected.

Marketing Choice for Wheat and Barley Producers

The Government of Alberta has worked hard over the last year to push for marketing choice for Alberta's wheat and barley. Choice means that farmers should have the option to sell their grain through either the Canadian Wheat Board or privately.

IIR continued to work with Alberta Agriculture, Food and Rural Development and Alberta Justice and Attorney General to advocate Alberta's position by promoting marketing choice for producers. This effort stems from passage of the *Alberta Wheat and Barley Test Marketing Act*. The goal of this legislation is to have the federal government concur with the government's position of having Alberta as a test, open market for wheat and barley produced by Alberta farmers.

DID YOU KNOW?

A March 2003 Environics poll showed 73% of Canadians and 77% of Albertans identify Senate Reform as important in future talks about the Canadian Constitution.

Municipalities

The federal government announced that it will give municipalities a full GST rebate and that it wants to enter into negotiations with the provinces to remit a portion of the federal gas tax to municipalities.

Alberta's Minister of Municipal Affairs has indicated that Alberta is willing to enter into negotiations with the federal government in order to increase the level of sustainable funding made available to municipalities.

IIR continues to provide advice to Municipal Affairs and other ministries on issues related to federal involvement with municipal governments.

Agricultural Policy Framework (APF)

After signing the Agricultural Policy Framework Agreement in June 2002, the Alberta government continued to work with the federal government to implement a new risk management program and other initiatives over the next five years and beyond.

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IIR worked with Alberta Agriculture, Food, and Rural Development and an interdepartmental team of officials to develop Alberta's policies and positions, and pursue negotiations with federal officials that culminated in conclusion and signing of the APF Implementation Agreement. By the end of the year, Alberta was one of five provinces that signed bilateral sub-agreements that began to flow federal funding into joint programs under the agreement.

IIR provided advice and assistance on intergovernmental and jurisdictional issues to advance Alberta's interests and ensure that agricultural resource priorities were addressed in the agreement.

Climate Change and the Kyoto Protocol

In December 2002, the federal government decided to proceed with ratification of this protocol without the agreement of provincial governments. IIR has worked to limit the impact of this unilateral federal decision on areas of provincial jurisdiction.

During the past year, there has been further federal recognition of the need to limit the long-term risks to investor and economic certainty posed by the Kyoto Protocol. In July 2003, the prime minister sent a letter to the Canadian Association of Petroleum Producers confirming that emissions reduction targets will be set at no more than 15 per cent below projected business-as-usual levels beyond 2012.

The Minister of International and Intergovernmental Relations continues to Chair the Ministerial Task Force on Kyoto to guide Alberta's overall approach to climate change. IIR assisted Alberta Environment in the implementation process and provided advice on intergovernmental issues related to the Kyoto Protocol.

Western Economic Partnership Agreement

IIR worked closely with Alberta Economic Development in negotiations with the federal Department of Western Economic Diversification (WED) to conclude and sign a new Western Economic Partnership Agreement (WEPA).

WEPA, worth a total of $50 million in equal joint funding over five years, will foster and promote innovation and technology development and sustainable regional economic development through funding projects sponsored by different Alberta ministries and WED.

KEY RESULT 1.3:

EFFECTIVE LEADERSHIP BY ALBERTA

THAT SUPPORTS A STRONG, UNITED, AND SECURE CANADA

Security

IIR participated in a number of reviews and processes aimed at refining Alberta's crisis management plan.

This included working with Emergency Management Alberta on the Emergency Operations Centre and participating in meetings of the Ministerial Task Force on Security which is chaired by the Minister of International and Intergovernmental Relations.

IIR supported the Task Force in a number of ways, including issuing regular bulletins on security and SARS so that ministries would be aware of their implications for international travel. Additionally, IIR maintains a database of all staff travelling outside Canada.

Alberta has become the leader in Canada on management of security issues. The Emergency Management Alberta Operation Centre is state of the art and has been recognized by representatives from all over the world as being an integral part of the province's general crisis management model. The Honourable Anne McLellan, Government of Canada Minister of Public Safety and Emergency Preparedness, has expressed the hope that the federal government and other provinces will implement plans similar to Alberta's.

IIR will continue to work with, and provide support to, the Ministerial Task Force on Security and other ministries and stakeholders to ensure the province is at the forefront of security and crisis management.

MLA Committee on Strengthening Alberta's Role in Confederation

On November 15, 2003, Premier Klein appointed the MLA Committee on Strengthening Alberta's Role in Confederation. The nine-member committee was struck to solicit Albertans' views about the status of federal-provincial relations and to solicit ideas about how to strengthen the position of Alberta within the federal system.

The committee is examining a broad range of issues in this regard, including ideas such as a provincial pension plan, provincial police force, and Alberta collecting its own personal income taxes.

IIR provides secretariat and support services to the committee. The committee held thirteen public consultation hearings around the province between January and March 2004. Over 150 Albertans made presentations before the committee and 550 written submissions were received expressing views on various subjects. The committee will submit a report to the Minister of IIR.

GOAL 2:

PROMOTING THE INTERESTS OF AND SECURING BENEFITS FOR ALBERTA FROM STRENGTHENED INTERNATIONAL RELATIONS

KEY RESULT 2.1:

INTERGOVERNMENTAL RELATIONSHIPS WHICH FACILITATE THE TWO-WAY FLOW OF GOODS, SERVICES, PEOPLE, AND INVESTMENT BETWEEN ALBERTA AND THE UNITED STATES

United States Initiatives

The United States remained Alberta's biggest trading and investment partner in 2003-2004 accounting for close to 90 per cent of Alberta's exports. The U.S. relies on Alberta for 15 per cent of its total natural gas supply and five per cent of its oil supply. This critical energy relationship has taken on added importance for the U.S. in the wake of the September 11, 2001 terrorist attacks and the War in Iraq. As U.S. decision makers become increasingly aware of the enormous potential of the oil sands, the prospects for even closer Alberta-U.S. relations are growing. Relations with U.S. decision makers and key states were strengthened through meetings in Washington, D.C. and participation in a number of state level organizations and bilateral cooperation agreements.

DID YOU KNOW?

The U.S. is by far the largest destination of international exports from Alberta. Over 90% of all provincial exports abroad are shipped to points in the U.S. Also, the U.S. is the source of two-thirds of all foreign investment in Alberta.

Canada-U.S. Relations

The ministry continued its work to ensure an appropriate federal government response to address border issues, U.S. security concerns and overall relations with the U.S. A key development was the announcement of a proposed Alberta Office in Washington, D.C on February 18, 2004. The ministry led this strategic initiative in consultation with federal officials.

Pacific Northwest Economic Region

Alberta hosted the Pacific Northwest Economic Region annual meeting in Calgary, July 13-17, 2003. The ministry played a lead role in planning Alberta's hosting of the meeting, and provided strategic coordination for Alberta's participants. Close to 500 regional leaders from both the public and private sector discussed cooperation in energy, agriculture, transportation and tourism. The meeting allowed Alberta to showcase its energy potential (including a tour of the oil sands) and other economic strengths, as well as promote its transboundary priorities to U.S. leaders.

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Western Governors' Association
Premier Klein and New Mexico Governor Bill Richardson led energy discussions at the Western Governors' Association annual meeting with western premiers in Big Sky, Montana, September 13-16, 2003. The ministry coordinated Alberta's participation at the meeting and ensured the province's messages on energy and BSE were strongly represented.

Premier Klein's Mission to Washington D.C. and New York
The ministry coordinated a successful mission by Premier Klein to Washington D.C. and New York in June 2003. Alberta's role as a secure and reliable supplier of energy and efforts to resolve the BSE situation were discussed during meetings with U.S. Vice President Dick Cheney, U.S. senators, congressmen, and other key decision makers. The mission report can be accesed at the following website: http://www.iir.gov.ab.ca/international_relations/missions.asp.

Montana Alberta Bilateral Advisory Council
Alberta hosted the Montana Alberta Bilateral Advisory Council annual meeting in June 2003.
The meeting provided a valuable opportunity to discuss key issues of mutual interest (e.g., BSE) and further enhance the close working relationship between Alberta and Montana.
The ministry coordinated Alberta's strategic participation, which included both public and private sector involvement.

Premier's Mission to Washington D.C.
IIR and Alberta Agriculture, Food and Rural Development worked together to plan the premier's and deputy premier's mission to Washington D.C. in March 2004 focusing on BSE (in response to the ongoing BSE situation).
The mission provided an opportunity to formally present Alberta's comments on the proposed U.S. rule to reopen the border.
It also provided an opportunity to promote Alberta as a safe, reliable food producer to U.S. decision makers and industry representatives.

KEY RESULT 2.2:

A STRATEGIC APPROACH TO ALBERTA'S INTERNATIONAL RELATIONS THAT EFFECTIVELY PROMOTES THE PROVINCE'S INTERESTS AND PRIORITIES TO FOREIGN GOVERNMENTAL DECISION MAKERS

Premier's Mission to India

Premier Klein's January 2004 Mission to India was one of the highlights of the year. This was the first official visit by an Alberta premier to this key emerging market, which is one of the world's fastest growing economies. Premier Klein met with key government and business leaders in India and explored areas of mutual benefit, particularly in the energy sector.

Cross Government Travel Coordination

IIR conducted strategic reviews and assessments on all proposed international travel by government ministers to ensure international travel proceeded in a coordinated and strategic manner. IIR reviewed proposed travel of all officials to minimize exposure to and increase the awareness of Severe Acute Respiratory Syndrome (SARS). IIR also assessed the risk of international travel by government officials to regions affected by the fight against terrorism, civil war and serious medical outbreaks.

DID YOU KNOW?

2004 marks three decades since the signing of an agreement establishing a twinning partnership between Alberta and Gangwon, South Korea. Gangwon is Alberta's oldest international twinning relationship.

International Missions to Alberta

Alberta developed strategically focused programs over the year for over 60 incoming delegations. Some of the visitors to Alberta included:

- Minister of Commerce from the People's Republic of China, His Excellency Lu Fuyuan
- Energy Minister and President of the OPEC Congress from Qatar, His Excellency Abdulla bin Hamad Al Attiya
- Deputy Minister-President and Minister of Education from Saxony, Germany, the Honourable Professor Doctor Karl Mannsfeld
- President of the Republic of Kazakhstan, His Excellency Nursultan Abish-uly Nazarbayev
- Governor Francisco Ramirez of the State of Jalisco, Mexico
- Ambassadors and High Commissioners to Canada from the United States, Russia, Mexico, Britain, India, Turkey, European Union, Ukraine, Trinidad and Tobago, Thailand, Senegal, Hungary and Austria.

KEY RESULT 2.3:

ACTIVE BILATERAL RELATIONS INCLUDING TWINNINGS THAT ENHANCE ALBERTA'S PROFILE IN KEY INTERNATIONAL MARKETS

Mexico Initiatives

In recognition of the growing importance of the two-way relationship between Alberta and Mexico, Mexico opened a consular office in Calgary in July 2003, mirroring the opening of the Alberta Office in Mexico City in 2002.

IIR led the planning and execution of the August 2003 visit of Governor Francisco Ramirez from Alberta's sister state in Mexico, Jalisco. The visit to Alberta led to new initiatives between the two jurisdictions in the areas of education and forestry.

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Alberta continued to explore cooperation with SENER, Mexico's Energy Secretariat.

The energy relationship was further enhanced in spring 2004 when IIR and Alberta Energy ministry officials attended the Forging North American Energy Security Conference in Monterrey. The conference brought together public and private sector representatives from industry, government, and policy institutes to discuss energy reform in Mexico.

Asia Pacific Initiatives

Alberta remained committed to building its relations with the Asia Pacific region, particularly Japan, China and Korea. These countries are the province's most important overseas trade and investment partners.

Alberta's relationship with Japan received considerable attention with the discovery of one case of BSE in Alberta and the closure of international markets for beef from Alberta. Japan's insistence on the testing of every cow for BSE as a condition for market reopening, complicated negotiations with the U.S. on resumption of beef trade.

Working through Japanese representatives in Canada and the Alberta Office in Japan, Alberta urged the Japanese government to promote a scientifically-based approach to issues surrounding BSE.

The Severe Acute Respiratory Syndrome (SARS) outbreak in Asia and Canada also had a great impact on the ministry's initiatives in Asia. Many planned incoming and outgoing missions with Asia were cancelled due to concerns about SARS.

In August 2003, Alberta welcomed the visit of the Chinese Minister of Commerce, His Excellency Lu Fuyuan, who expressed a commitment to doubling trade between Canada and China by 2010. During the year, it became evident that China was interested in looking at options for secure and reliable long term supplies of oil, in order to meet its energy deficit and fuel its booming economy. Alberta and China began discussions on possible cooperation in this sector.

Relations with two of Alberta's sister provinces were enhanced through the 2003 bilateral and trilateral consultations with sister provinces of Heilongjiang, China and Hokkaido, Japan. Discussions with Gangwon, Korea concerning the 30th Anniversary of the twinning relationship were also initiated. IIR increased its modest grant to the Alberta-Japan Twinned Municipalities Association in recognition of the excellent work the 18 twinned towns are undertaking with their counterparts in Japan.

Europe Initiatives

Relations with Germany

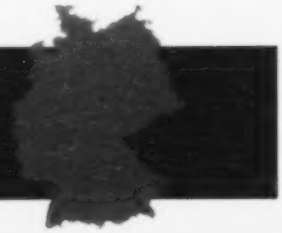
In May 2003, Minister Jonson traveled to Saxony, Germany to build the government-to-government relationship with that region. The minister's mission was reciprocated in February 2004 with the visit to Alberta by senior officials from Saxony.

The Honourable Professor Doctor Karl Mannsfeld, Deputy Minister-President (equivalent to deputy premier), signed a cooperation agreement with Alberta Learning to facilitate teacher exchanges, school partnerships and language assistant programs.

Although the main focus of this visit was on education, other areas of the Alberta-Saxony relationship were examined including increased cooperation in biotechnology, clean coal technologies, and nanotechnology.

DID YOU KNOW?

Germany is fourth largest source of foreign visitors to Alberta. Germans who are visiting the province spend an average of $69 million each year.



Relations with Ukraine

As follow-up to Premier Klein's mission to Ukraine in 2002, the ministry took an active role expanding Alberta's and Canada's relations with Ukraine. The ministry worked closely with the Canadian Department of Foreign Affairs and International Trade, the Canadian and Ukrainian Embassies, and Ukrainian-Canadian organizations.

A key objective was to work with Ukrainians to advance democratic principles and a market economy. Some highlights of the year were:

- IIR developed memorandums of understanding on cooperation with two Western Ukrainian oblasts: Lviv and Ivano-Frankivsk.
- The ministry coordinated activities with provincial ministries active in Ukraine, including:
  - Learning, to increase the level and awareness of Alberta grants and scholarships;
  - Agriculture, Food and Rural Development, in agriculture reform and farm management projects;
  - Community Development, in cultural and genealogical cooperation and
  - Justice and Attorney General, in court reform.
- Over the year, the International Governance Office facilitated the Government of Alberta's involvement in the Canada-Ukraine Legislative and Intergovernmental Project (CULIP), focusing on Alberta's land registry system.
- Alberta urged the Government of Ukraine to open a Ukrainian Consulate General in Edmonton.

IIR continued to support the interests of Alberta's Ukrainian Community through the Advisory Council on Alberta Ukraine Relations (ACAUR). Key areas of focus for ACAUR included educational exchanges, collaborative research on educational methods for disabled children, agricultural programs, and economic linkages and business development.

Possible future areas of cooperation that will be explored include health care, humanitarian efforts, development of volunteerism, science and technology, and preparing for the upcoming October 2004 Ukraine Presidential Election. Additional information about ACAUR (including its newsletter) can be found at http://www.iir.gov.ab.ca/international_relations/acaur.asp

In recognition of the important role Premier Klein and the Government of Alberta have made in expanding relations between Canada and Ukraine, the premier received the first ever Hetman Award of Distinction from the Ukrainian Canadian Congress - Alberta Provincial Council in October 2003.

DID YOU KNOW?

Alberta is home to the largest population of Ukrainian-Canadians in Western Canada. About one in ten Albertans are of Ukrainian descent.

KEY RESULT 2.4:

EFFECTIVE CONTRIBUTION BY ALBERTA TO INTERNATIONAL DEVELOPMENT IN THE AREA OF GOVERNANCE

International Governance Office (IGO)

The IGO continued to coordinate and manage the provincial government's participation in international governance projects. These initiatives are aimed at developing more democratic and market-oriented governments in emerging economies around the world. Projects have focused on fiscal management, regulatory reform, public sector administration and communications.

Projects were financed by either the Canadian International Development Agency (CIDA), an International Financial Institution such as the World Bank, or the regional government itself.

Over the past year, the office partnered with the private sector and with several provincial government ministries and entities (Finance, Revenue, Personnel Administration Office, Energy, Infrastructure, Government Services, Public Affairs Bureau) on international development projects in Ukraine, South Africa, China and Russia:

Europe Initiatives

Relations with Germany

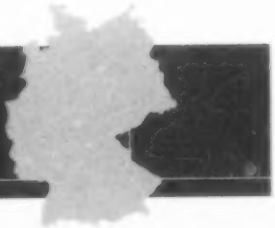
In May 2003, Minister Jonson traveled to Saxony, Germany to build the government-to-government relationship with that region. The minister's mission was reciprocated in February 2004 with the visit to Alberta by senior officials from Saxony.

The Honourable Professor Doctor Karl Mannsfeld, Deputy Minister-President (equivalent to deputy premier), signed a cooperation agreement with Alberta Learning to facilitate teacher exchanges, school partnerships and language assistant programs.

Although the main focus of this visit was on education, other areas of the Alberta-Saxony relationship were examined including increased cooperation in biotechnology, clean coal technologies, and nanotechnology.

DID YOU KNOW?

Germany is fourth largest source of foreign visitors to Alberta. Germans who are visiting the province spend an average of $69 million each year.



Relations with Ukraine

As follow-up to Premier Klein's mission to Ukraine in 2002, the ministry took an active role expanding Alberta's and Canada's relations with Ukraine. The ministry worked closely with the Canadian Department of Foreign Affairs and International Trade, the Canadian and Ukrainian Embassies, and Ukrainian-Canadian organizations.

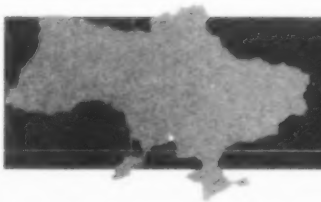
A key objective was to work with Ukrainians to advance democratic principles and a market economy. Some highlights of the year were:

- IIR developed memorandums of understanding on cooperation with two Western Ukrainian oblasts: Lviv and Ivano-Frankivsk.
- The ministry coordinated activities with provincial ministries active in Ukraine, including:
  - Learning, to increase the level and awareness of Alberta grants and scholarships;
  - Agriculture, Food and Rural Development, in agriculture reform and farm management projects;
  - Community Development, in cultural and genealogical cooperation and
  - Justice and Attorney General, in court reform.
- Over the year, the International Governance Office facilitated the Government of Alberta's involvement in the Canada-Ukraine Legislative and Intergovernmental Project (CULIP), focusing on Alberta's land registry system.
- Alberta urged the Government of Ukraine to open a Ukrainian Consulate General in Edmonton.

IIR continued to support the interests of Alberta's Ukrainian Community through the Advisory Council on Alberta Ukraine Relations (ACAUR). Key areas of focus for ACAUR included educational exchanges, collaborative research on educational methods for disabled children, agricultural programs, and economic linkages and business development.

Possible future areas of cooperation that will be explored include health care, humanitarian efforts, development of volunteerism, science and technology, and preparing for the upcoming October 2004 Ukraine Presidential Election. Additional information about ACAUR (including its newsletter) can be found at http://www.iir.gov.ab.ca/international_relations/acaur.asp

In recognition of the important role Premier Klein and the Government of Alberta have made in expanding relations between Canada and Ukraine, the premier received the first ever Hetman Award of Distinction from the Ukrainian Canadian Congress - Alberta Provincial Council in October 2003.



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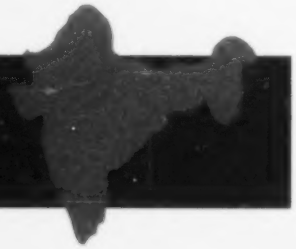
- The IGO's work with Ukraine focussed on showcasing Alberta land titling and registry systems to Ukrainian and World Bank officials.
  This initiative was a follow-up to previous work undertaken under the Canada Ukraine Legislative and Intergovernmental Program, which was funded by CIDA.
- Several initiatives with South African provinces were delivered in 2003-2004 in an effort to enhance governance structures and systems in South Africa.
  In May and June 2003, 18 officials, including nine from Alberta's sister-province, Mpumalanga, participated in meetings focussed on Alberta's financial planning, reporting and accountability system.
  In August 2003, Alberta delivered a workshop in Mpumalanga to over 60 people featuring Alberta's performance management system.
  In February 2004, a six-member delegation from Mpumalanga examined the Service Alberta initiative, as Mpumalanga strives to bring integrated government services closer to its citizens.
- In November 2003, IGO provided a two-week program to 30 municipal leaders from the Alberta sister-province of Heilongjiang, China.
  The Heilongjiang program is a joint venture with the University of Alberta and is a direct outcome of the strong relationship Alberta has enjoyed with Heilongjiang for over 25 years.
- In 2003 Alberta began work with Universalia (a consulting company) which is managing a five-year Governance Advisory and Exchange Program (GAEP) in Russia.
  The program aims to provide Russian public and private sector decision makers with fast and flexible access to Canadian expertise and experience in support of their reform process.
  Russian officials traveled to Canada in November 2003 to examine the rules and regulations governing state-owned property and the government's privatization process.

DID YOU KNOW?

In January 2004, Premier Klein led the first mission to India by an Alberta premier.
In 2003, India was the largest source of immigration to Alberta.
India has one of the fastest growing economies in the world.



More details of these and other IGO activities can be found in editions of the IGO's Newsletter, *Governance Gateway*.
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GOAL 3:

PROMOTING THE INTERESTS OF AND SECURING BENEFITS FOR ALBERTA FROM GREATER TRADE AND INVESTMENT LIBERALIZATION, DOMESTICALLY AND INTERNATIONALLY

KEY RESULT 3.1:

EXPANDED TRADE LIBERALIZATION AND FOREIGN MARKET ACCESS FOR ALBERTANS THROUGH INTERNATIONAL TRADE AND INVESTMENT OPPORTUNITIES

World Trade Organization (WTO) Negotiations

WTO negotiations (the "Doha Development Agenda") continued during the year. Alberta provided substantive input to the federal government on WTO issues of key importance for the province including agriculture, trade in services, disciplines on trade remedies, and improvements to the WTO dispute resolution mechanism.

The ministry also engaged in consultations with Alberta service providers, to determine Alberta industry priorities in WTO negotiations on services.

The Minister of IIR attended the WTO Cancun Ministerial Conference in September 2003 as part of the Canadian delegation. He pressed Alberta's interests in meetings with federal ministers, provincial counterparts and private sector representatives. While ministers were unable to agree to an overall framework for WTO negotiations in Cancun, WTO members continue to press ahead with the negotiations.

Greater global trade liberalization through the WTO Doha Development Agenda negotiations holds the prospect for additional benefits and opportunities for Albertans.

The minister also pressed Alberta's WTO interests during a visit to Europe (London and Geneva) in May 2003.

DID YOU KNOW?

Alberta is Canada's third largest provincial exporter of goods and services abroad. Approximately 40% of Alberta's gross domestic product and jobs are related to international trade.

Canada-U.S. Softwood Lumber Dispute

The ministry worked with Alberta Sustainable Resource Development in ongoing efforts to resolve the softwood lumber dispute. Since May 2002, the U.S. has been collecting countervailing and anti-dumping duties of 27 per cent on imports of lumber from Canada.

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Canada has initiated several, distinct, legal challenges in the WTO and under the North American Free Trade Agreement (NAFTA) against U.S. rulings made in anti-dumping and countervailing duty investigations. As of March 31, 2004, these proceedings had not resulted in any variation to the duties being collected.

While the panels issued several rulings through 2003-2004, several of them favourable to Canada, none of the legal proceedings have been definitively concluded, either because appeals have not been completed or because U.S. agencies have been given an opportunity to issue revised determinations in accordance with panel instructions. Both IIR and Sustainable Resource Development have worked closely with Washington-based legal counsel to defend Alberta programs and to ensure Alberta positions were reflected in overall Canadian legal arguments.

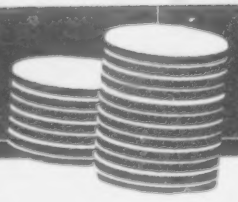
Over the past year, efforts have continued to find a long-term, durable solution to the dispute, outside of litigation. The U.S. government released a draft policy bulletin in June 2003, providing guidelines for provinces wishing to make market-oriented forest management changes and thus be excluded from the application of U.S. countervailing duties.

IIR coordinated Alberta's input to the development of the draft policy bulletin. Alberta's position is that any resolution to the dispute be based on recognition of the importance of long-term tenures as a vehicle for sustainable forest management.

The ministry has also coordinated Alberta's response to interim softwood lumber agreement proposals made over 2003-2004. IIR and Sustainable Resource Development conducted extensive consultations with industry to explain the implications of these proposals and to solicit input.

DID YOU KNOW?

Alberta exports have increased by more than 330% between 1988 and the end of 2003.



Other Regional, Bilateral, and Multi-lateral Trade Negotiations

IIR promoted Alberta's priorities and positions in regional and bilateral international trade negotiations in areas such as agriculture, services, market access, and trade remedy reform.

Free Trade Area of the Americas (FTAA)

In November 2003, the 8th FTAA Ministerial Conference was held in Miami. Alberta pressed its trade policy priorities with the Canadian government and industry groups, in advance of and during the Ministerial Conference as part of the Canadian delegation.

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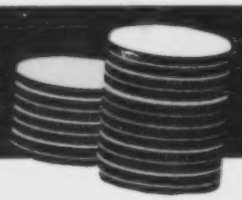

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Canada-European Union Agreements
Canada and the European Union finalized their agreement on trade in alcoholic beverages during the year. Alberta participated in the negotiations and achieved written assurances concerning an exemption for Alberta from provisions dealing with the operation of liquor boards, which accommodates Alberta's largely privatized system.

Alberta also pressed its negotiating priorities in the lead up to the March 18, 2004 announcement of a framework for the negotiation of a Canada-E.U. Trade and Investment Enhancement Agreement. Negotiations will likely commence in 2004.

Canada-Central America Four Free Trade Agreement
Canada and four Central American countries (El Salvador, Guatemala, Honduras and Nicaragua) launched free trade negotiations in November 2001. In the reporting period, Alberta promoted the development of appropriate, related labour and environment cooperation agreements that respect the province's jurisdiction in these areas. While the environmental side agreement was substantively completed in 2003, negotiation of the broader free trade agreement and the labour side agreement continues.

North American Free Trade Agreement (NAFTA)
IIR put forward a number of proposals aimed at enhancing NAFTA prior to the 2003 NAFTA Commission Meeting in Montréal on October 7, 2003. Alberta proposed that future discussions address the following areas: reform of trade remedy rules (such as countervailing and anti-dumping measures), harmonization and elimination of tariffs, enhanced market access in energy and agricultural trade, and further support for the investor-state dispute resolution process under NAFTA Chapter 11. Alberta also encouraged Canadian, American, and Mexican ministers responsible for international trade to prepare a report on possible improvements to the NAFTA.

Alberta commissioned a report by the Western Centre for Economic Research at the University of Alberta, examining the Alberta and Western Canada export experience under free trade agreements.

According to this study, in the 1989 to 2002 period (i.e., since the Canada-U.S. Free Trade Agreement was implemented), Alberta exports increased in value by approximately 280 per cent. A copy of this study is available at the following website: http://www.iir.gov.ab.ca/trade_policy/international_publications.asp.

Alberta also participated in the operation of the North American Commission on Environmental Cooperation (CEC) by attending the annual CEC Council (Ministerial) Session in Washington, D.C. Alberta has a formal role in Canada's approach to this organization as a signatory to the Canadian Intergovernmental Agreement regarding the *North American Agreement on Environmental Cooperation*.

Other Trade Disputes

IIR coordinated Alberta's response to a number of trade policy disputes in the 2003-2004 fiscal year.

Canada-U.S. Swine Dispute

On March 5, 2004, a number of U.S. pork producers and producer organizations filed countervailing and anti-dumping duty petitions against imports of live hogs from Canada.

Subsidy allegations have been made against the Government of Alberta, as well as the federal government and several other provinces. IIR will work with Alberta Agriculture, Food, and Rural Development and Washington, D.C.-based legal counsel to defend provincial programs.

Canada-U.S. Wheat Dispute

In October 2003, the U.S. began collecting anti-dumping and countervailing duties on imports of hard red spring wheat from Canada at a combined rate of 14.16 per cent.

In the countervailing duty investigation, subsidy allegations were made against Alberta in respect of railcars provided to rail companies for grain transportation. IIR is working with Agriculture, Food and Rural Development, Washington, D.C.-based legal counsel, and the Government of Canada to challenge the U.S. government's final subsidy determination under the NAFTA.

WTO Dairy Dispute

A challenge to Canada's regime for dairy exports culminated in a WTO Appellate Body ruling in December 2002, that Canada's "contracted export milk" system was inconsistent with its commitments under the WTO *Agreement on Agriculture*.

The federal government and provinces re-regulated contracted export milk so that it was subject to domestic quota and production rules. IIR worked with Agriculture, Food, and Rural Development to ensure Alberta complied with the WTO ruling.

On May 9, 2003, the Government of Canada announced that the U.S. and New Zealand were satisfied with Canada's compliance measures, that they would not retaliate, and that the dispute was over.

Biosafety Protocol

Alberta attended the first Meeting of the Parties of the Cartagena Protocol on Biosafety (Kuala Lumpur, March 2004) as a part of the Canadian delegation. The Biosafety Protocol deals with cross-border movements of genetically-modified organisms and has the potential to significantly affect key agricultural markets for Alberta grain products, such as canola. Canada is not yet a party to the Biosafety Protocol. Alberta's attendance at this meeting helped contribute to Alberta's perspective on Canada's future ratification of the protocol.

DID YOU KNOW?

Alberta exports to Montana between 1999 and 2003 have averaged $1.2 billion. Montana is Alberta's 10th largest export market in the U.S.

Bovine Spongiform Encephalopathy (BSE)

IIR worked closely with Alberta Agriculture, Food, and Rural Development to try to resolve the issue of closure of the U.S. border to importation of live cattle due to BSE, otherwise known as "mad-cow disease". The U.S. border has been closed since one infected cow was discovered in Alberta in May 2003.

This situation has had a devastating effect on the agricultural industry in Alberta and Canada.

IIR has provided advice and assistance through background information for the premier and ministers, organized official government missions to the U.S., and advocated strongly for support for agriculture and to have the border opened as soon as possible. Alberta has advocated consistently that there is no scientific basis for the maintenance of the temporary ban on beef and cattle, and other ruminant products such as bison, caribou, and musk oxen from Canada. Scientific investigation has demonstrated that these products are safe. Good science and common sense must take command of this issue.

KEY RESULT 3.2:

EXPANDED CANADIAN INTERNAL TRADE LIBERALIZATION WHICH PROMOTES THE FREE FLOW OF GOODS, SERVICES, CAPITAL, AND LABOUR ACROSS CANADA

Agreement on Internal Trade (AIT)

Alberta continues to be an active proponent of the AIT. The province concluded a very successful year in terms of advancing its interprovincial trade priorities, and took action to pursue improvements to the AIT and ensure that all parties to the agreement lived up to their obligations.

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The *Agreement on Internal Trade* was signed by first ministers of Canada in 1995. It is designed to allow freer trade between the provinces so all may benefit. Estimates of annual costs of domestic trade barriers range as high as $14 billion.

Internal Trade Disputes and Complaints Under the AIT

The ministry facilitated Alberta's involvement in a number of challenges to the practices of other Canadian jurisdictions under the AIT in 2003-2004. These efforts were undertaken in support of provincial industries and businesses negatively affected by trade barriers that exist within Canada.

Alberta - Federal Government Cost of Credit Dispute

Alberta has challenged the cost of credit disclosure requirements in the federal government's *Bank Act*.

Alberta contends that these requirements do not meet those established in the harmonized model that all signatories to the AIT, including the federal government, agreed to use when amending their cost of credit regulations.

This has placed Alberta's credit unions and Treasury Branches at a competitive disadvantage in relation to the federally-chartered banks. Alberta formally requested that an AIT panel be established to deal with this issue in November 2003. An AIT panel heard Alberta's challenge on March 15, 2003.

Alberta-Ontario Edible Oil Products Act

For more than three years, Alberta has consulted with Ontario under the AIT concerning Ontario's regulation of imitation dairy products. Ontario currently has legislation that protects its provincial dairy industry by prohibiting the sale in Ontario of a number of imitation dairy products, some of which are produced in Alberta.

Alberta has sought the assistance of the Committee on Internal Trade in its attempt to resolve this dispute with Ontario. The Committee considered this issue on March 1, 2004. Alberta is now free to pursue its complaint by requesting a dispute resolution panel under the AIT.

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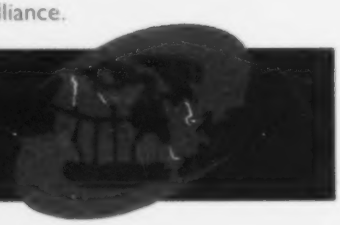

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Alberta-Quebec Margarine Colouration

Quebec continues to prohibit the colouring of margarine, which prevents the importation and the sale of Alberta-produced margarine in Quebec. This restriction protects the interests of Quebec dairy farmers and has caused economic injury for Alberta manufacturers of coloured margarine, and canola producers and processors.

Alberta held consultations with Quebec in November and December 2003 and will request the assistance of the AIT Committee on Internal Trade in resolving the matter in 2004.

If the Committee on Internal Trade does not resolve the issue, Alberta will be free to request a dispute resolution panel.

Council of the Federation

As part of the new Council of the Federation initiative, IIR successfully advanced the province's domestic trade interests.

During a March 2003 meeting of provincial and territorial ministers responsible for internal trade, co-chaired by premiers representing the Council of the Federation, the Minister of IIR secured acceptance of a proposal to address deficiencies in the AIT.

The Alberta proposal focused on improvements to dispute resolution and coverage of agriculture and Crown procurement under AIT disciplines. The proposal was accepted and will be included in a follow-up work plan. Once the provinces and territories have reached consensus on the necessary improvements to the AIT, the federal government will be asked to re-engage in this process, which will result in a meeting of the full Committee on Internal Trade.

Alberta-British Columbia Bilateral Trade Agreement

Alberta engaged in discussions with B.C. on a draft framework for a possible bilateral trade enhancement agreement.

This initiative was approved at a joint Alberta-B.C. Cabinet Meeting, held in October 2003, which resulted in the signing of a B.C.-Alberta Protocol of Cooperation Agreement.

The bilateral trade enhancement agreement is expected to improve the competitiveness of both jurisdictions and remove some of the administrative burdens that businesses face when operating in both provinces.

Businesses in the two provinces would enjoy even greater access to a market of 7.2 million people.

REPORT OF THE AUDITOR GENERAL

AUDITOR GENERAL *Alberta*

REPORT OF THE AUDITOR GENERAL ON THE RESULTS OF APPLYING SPECIFIED AUDITING PROCEDURES TO PERFORMANCE MEASURES

To the Members of the Legislative Assembly

In connection with the Ministry of International and Intergovernmental Relations' performance measures included in the *2003-2004 Annual Report of the Ministry of International and Intergovernmental Relations*, I have:

1. Agreed information from an external organization to reports from the organization.
2. Agreed information from reports that originated from within the Ministry to source reports. In addition, I tested the procedures used to compile the underlying data into the source reports.
3. Checked that the presentation of results is consistent with the stated methodology.
4. Checked that the results presented are comparable to stated targets, and information presented in prior years.
5. Checked that the performance measures, as well as targets, agree to and include results for all of the measures presented in Budget 2003.

As a result of applying the above procedures, I found no exceptions. These procedures, however, do not constitute an audit and therefore I express no opinion on the performance measures included in the *2003-2004 Annual Report of the Ministry of International and Intergovernmental Relations*.

Fred J. Dunn FCA
Auditor General

Edmonton, Alberta
August 10, 2004

PERFORMANCE MEASURES

IIR's goals are focused on the attainment of long-term objectives – ensuring Alberta pursues an effective strategy to advance the province's interests in conducting and coordinating intergovernmental negotiations; building linkages and relationships with other countries; and improving the domestic and international environment in which Alberta companies do business.

IIR's success frequently depends on many factors such as the state of the economy, relations between governments, and relations within the Alberta government (e.g. other ministries) and the private sector.

As a result, the ministry's goals are often attained over the long term rather than over the short term and are often best measured in non-numerical ways.

Narrative Measures

- The chief performance measure of the ministry is the detailed narrative account of achievements and results outlined in the Annual Report. It is a vital document, chronicling year-to-year progress on goals that are multi-year in scope.
- New to the Annual Report this year is the charting of progress on annual strategic priorities identified in the ministry's business plan. This timeline shows the progress made on strategic priorities over several years, at a glance.
- In addition to the Annual Report, the ministry identifies its performance on key initiatives through reports or communiqués issued at the conclusion of major conferences, trade negotiations, or international missions led by the premier or minister. These reports assess how the province achieved its objectives.
- Intermediate outcomes of key meetings are tracked through progress reports prepared by the ministry in consultation with others.
- A compendium of intergovernmental agreements finalized across government during the year is also included (see Appendix 2), representing an important record of the ministry's achievements.

Survey Results as Measures

- A key element of the ministry's success is the quality of relationships built with clients and partners, including other provincial government ministries, other Canadian provincial and territorial governments, and the private sector. To help advance Alberta's interests, these relationships must be developed and fostered over the long term.

The ministry's biennial client satisfaction survey is a key instrument for assessing the quality and effectiveness of these relationships.

- Another measure tracked by the ministry reflects polling results of Albertans' views regarding the performance of their government in the area of federal/provincial relations.
  While polling data does not specifically rate the performance of the ministry, IIR does play an important role in supporting the premier and his cabinet colleagues in achieving intergovernmental goals.

Other Indicators...

- The ministry also monitors and reports some secondary indicators that track macroeconomic trends.
  While these are not direct measures of the ministry's performance, they do indicate the environment in which the ministry is operating.

In summary, the ministry measures its performance in several ways, including: the Annual Report, progress on strategic priorities, reports of ministry performance and intermediate outcomes, compendium of intergovernmental agreements, client satisfaction surveys, and public polling data.

Secondary indicators that track macroeconomic trends are also monitored.

Description of Performance Measures and Indicators

A. Annual Report

Through the Annual Report, the ministry outlines intergovernmental outcomes and events with a view to assessing how they conformed to Alberta's objectives.
In compiling the report, staff review ministry initiatives and undertakings using criteria that include:

- Links between the issues and the ministry's business plan;
- Importance of the issue for the premier, minister, or government as a whole;
- Public or stakeholder interest;
- Investment of staff time.

A team of IIR officials, referencing yearly annual report standards, prepared the Annual Report for the Minister's approval.

B. Progress on Strategic Priorities

The 2003-2006 IIR business plan identified three strategic priorities to achieve ministry goals:

- Successfully conducting and coordinating intergovernmental negotiations to advance Alberta's interests in Confederation.
- Successfully participating in international negotiations to advance Alberta's interests with important trading partners.

- Successfully promoting Alberta by strengthening international relations through such mechanisms as premier's missions, and bilateral agreements.

Progress on each of these strategic priorities follows, demonstrating that some issues are managed over periods of several years, and that the outcomes of issues or initiatives are often realized in the long term.

This information was compiled by ministry officials referencing activities undertaken throughout the year, and in previous years where applicable, that were in support of the ministry's strategic priorities.

✔ STRATEGIC PRIORITY

SUCCESSFULLY CONDUCTING AND COORDINATING INTERGOVERNMENTAL NEGOTIATIONS TO ADVANCE ALBERTA'S INTERESTS IN CONFEDERATION

The focus of intergovernmental initiatives this past year were three non-constitutional priorities identified by Premier Klein:

1. Regular Annual First Ministers' Meetings, with agendas that are jointly determined between premiers and the prime minister and standing items on health, trade, finance, justice and the economy;
2. A formalized provincial role in international agreements related to areas of provincial jurisdiction;
3. Consultations with provinces on federal appointments, including Senatorial appointments, that affect their jurisdictions.

Alberta first advanced these priorities at the June 2003 Western Premiers' Conference. IIR continued to advance these priorities when working with other provinces (e.g., Annual Premiers' Conference, Council of the Federation meetings) and achieved support for them. More information on these initiatives is in this annual report.

June 2003: Western Premiers' Conference
Future first ministers' meetings discussed.
Prime Minister Martin later agrees to hold annual meetings of First Ministers.

January 2004: First Ministers' Meeting
Prime Minister committed to working with provinces to develop framework for a provincial role in international agreements.
Alberta and New Brunswick, representing provinces/territories, involved in discussions with federal minister of Intergovernmental Relations.
Status report will be presented at Council of Federation Meeting in July 2004.

January 2004: Council of the Federation Meeting
Premiers mandated Alberta and New Brunswick to develop a position on a provincial role in federal appointments. Status report will be presented at Council of Federation Meeting in July 2004.

STRATEGIC PRIORITY

SUCCESSFULLY PARTICIPATING IN INTERNATIONAL NEGOTIATIONS TO ADVANCE ALBERTA'S INTERESTS WITH IMPORTANT TRADING PARTNERS

IIR promotes Alberta's priorities and interests in international trade negotiations to which Canada is a party.

Currently, the most significant are the "Doha Development Agenda" round of trade talks, taking place under the auspices of the WTO, and Free Trade Area of the Americas (FTAA) discussions.

These negotiations provide the opportunity to reduce barriers to Alberta's worldwide exports of agricultural and non-agricultural goods and services, and to reduce the impact of defensive trade remedy actions taken by other countries against Canada (such as U.S. actions against softwood lumber). In 2003-2004, the Minister of IIR presented Alberta's views on the WTO Doha negotiations at the 5th WTO Ministerial Conference, in Cancun, Mexico. IIR's efforts to ensure that Alberta's objectives are addressed in the Doha Round and the FTAA negotiations are identified below. More information on these and other initiatives can be found in IIR Annual Reports, which can be accessed at http://www.iir.gov.ab.ca.

2001-2002

October 2001:
Minister forwarded Alberta's WTO negotiating priorities to the federal government.

November 2001:
IIR officials attended the 4th WTO Ministerial Conference in Doha, Qatar.

2002-2003

October 2002:
Minister forwarded Alberta's position on FTAA Negotiations to the federal government.

November 2002:
Alberta forwarded its views on trade remedy and market access reform in the WTO to the federal government.

January 2003:
Alberta forwarded its position on Canada's initial WTO services offer to the federal government.

2003-2004

May/June 2003:
Minister pressed Alberta's WTO priorities at meetings in London and the WTO in Geneva.

September 2003:
Minister attended the 5th WTO Ministerial Conference in Cancun, Mexico.

November 2003:
Alberta forwarded its positions on WTO and FTAA negotiations to the federal government.

November 2003:
Alberta attended the FTAA Ministerial Meeting in Miami, Florida.

IIR also pursues its trade and investment liberalization goals domestically, working to reduce trade barriers within Canada.

The primary vehicle through which these efforts are made is the *Agreement on Internal Trade* (AIT).

The Minister of IIR works with other Canadian ministers responsible for internal trade through meetings of the Committee on Internal Trade (CIT) and, more recently, through the provincial-territorial Council of the Federation.

IIR also consults with provincial stakeholders in internal trade promotion and expansion. Alberta is prepared to work bilaterally or regionally to improve trade and investment opportunities.

In 2003-2004, efforts focused on negotiating a bilateral trade enhancement agreement with British Columbia.

IIR also defends Alberta's AIT interests and manages its involvement in disputes. Additional detail regarding domestic trade initiatives identified below can be found in corresponding IIR Annual Reports at http://www.iir.gov.ab.ca.

2001-2002

May 2001:
Alberta participated in the national public stakeholder consultations on the AIT.

July 2001:
Labour mobility provisions of the agreement came into force. Alberta held stakeholder consultations with provincial regulatory bodies throughout the implementation period.

2002-2003

June 2002:
Minister co-chaired the Committee on Internal Trade Meeting.
Agreement was reached on investment incentives and government procurement.

Minister also co-released the first report of the National Public Consultations Project. Industry encouraged governments to do further work on the internal trade agreement.

November 2002:
Minister forwarded a proposal to B.C. on a bilateral trade enhancement agreement dealing with energy.

2003-2004

September 2003:
IIR initiated AIT challenges affecting trade in agri-food products and federal regulations negatively affecting the competitiveness of provincially-regulated financial institutions.

October 2003:
Alberta-B.C. Protocol of Cooperation is signed whereby provinces agree to work on a bilateral trade enhancement agreement (energy, investment, transportation, etc.).

January 2004:
Minister attended Council of the Federation meeting on the AIT.
Alberta proposes to improve the AIT and is designated the lead jurisdiction for new negotiations, including in the energy sector.

STRATEGIC PRIORITY

PROMOTING ALBERTA BY STRENGTHENING INTERNATIONAL RELATIONS THROUGH SUCH MECHANISMS AS PREMIER'S MISSIONS AND BILATERAL AGREEMENTS.

IIR works to strengthen relations with the United States, since it is Alberta's closest and largest trading partner.

The key focus of discussions by the premier and minister of IIR in 2003-2004 was the security of the province's energy supply and reopening the borders to cattle after the finding of a single case of BSE in Alberta in May 2003.

Discussions in previous years focused on energy, trade, transportation, and tourism. More information on key meetings with U.S. officials identified below can be found in the corresponding IIR Annual Report, at http://www.iir.gov.ab.ca.

2001-2002

June 2001:
Premier met with U.S. Vice-President Dick Cheney and others (re: energy).

July 2001:
IIR Minister, 1 cabinet minister, and 7 MLAs attended Pacific Northwest Economic Region Meeting.

Premier and 5 cabinet ministers promoted energy and investment while in Los Angeles.

August 2001:
Premier attended Western Governor's Association in Idaho (re: energy, lumber, agriculture).

September 2001:
During U.S. Ambassador to Canada Paul Cellucci's first visit to Alberta, he met Premier Klein.

2002-2003

June 2002:
Premier met Western Governors in Yukon (re: energy, pipelines).

IIR Minister, 2 cabinet minister, and 2 MLAs attended Montana-Alberta Bilateral Advisory Council Meeting (re: agricultural issues).

July 2002:
IIR Minister, 1 cabinet minister, and 5 MLAs attended Pacific Northwest Economic Region Meeting (re: energy, agriculture, transportation issues).

December 2002:
Premier promoted investment opportunities with business people in New York.

2003-2004

June 2003:
Premier met with U.S. Vice-President Dick Cheney and others (re: BSE, oil sands).

IIR Minister, 1 cabinet minister, and 3 MLAs attended Montana-Alberta Bilateral Advisory Council (re: BSE, water, borders).

July 2003:
IIR Minister, 5 cabinet ministers, and 15 MLAs attended Pacific Northwest Economic Region Meeting in Calgary (re: energy, emergency preparedness, agriculture).

September 2003:
Premier attended Western Governor's Association Meeting in Montana (re: BSE, energy, firefighting).

March 2004:
Premier and deputy premier met Senators and agriculture officials in Washington, D.C. to urge border reopening for cattle.

Bilateral relations between the province and other world regions are initiated or enhanced through missions to or from Alberta.

These missions pave the way for increased activity between Alberta and other world regions, and may result in memorandums of understanding being signed.

Details regarding key missions and memorandums of understanding identified below can be found in the corresponding IIR Annual Report or in individual mission reports at http://www.iir.gov.ab.ca.

2001-2002

September 2001:
Heilongjiang, China's Governor Song visited the premier to discuss future training program.

February 2002:
Agreement between IIR, the University of Alberta and the Government of Heilongjiang signed (re: public administration training).

While in Berlin, premier signed "sister province" memorandum of understanding between Alberta and Saxony, Germany.

2002-2003

May 2002:
Premier signed memorandum of understanding with International Finance Corporation in Ukraine (re: agriculture).

June 2002:
Premier signed memorandum of understanding initiating collaboration through a bilateral advisory council between Alberta and Alaska.

September 2002:
Premier discussed energy reform and cooperation between Alberta and Mexico with Government of Mexico and SENER.

2003-2004

May 2003:
IIR Minister in Dresden to lay groundwork for future joint initiatives with Saxony, Germany.

August 2003:
Governor of Jalisco, Mexico visited Alberta. During his visit a cooperation agreement on forestry was signed between Alberta and Jalisco.

January 2004:
Premier explored areas of potential cooperation in energy and training with India.

February 2004:
Deputy Premier of Saxony, Germany visited Alberta.
During his visit, Alberta and Saxony signed an agreement on learning.

C. Performance Measure - Reports on Ministry Performance and Intermediate Outcomes

Narrative records that outline ministry performance include mission reports, communiqués from major intergovernmental meetings, and status reports.

Mission reports are developed by ministry officials in consultation with provincial representatives who participated in the mission. Captured in mission reports are significant issues addressed during the mission, opportunities identified and follow-up required.

Communiqués from major interdepartmental meetings are generally negotiated among and drafted by intergovernmental officials at each meeting. The communiqué is intended to reflect discussions and decisions made. Communiqués are reviewed and amended as necessary by premiers before publication. Since premiers often meet in private, the premiers draft some communiqués themselves.

Status reports of intermediate outcomes allow the public to track complex, long-term issues.

The mode of preparation for each report varies and is explained with each example provided below.

Listed below are mission reports, communiqués, and status reports that were released in 2003-2004:

Minister Halvar Jonson's Mission to Europe (May 24-June 4, 2003)
This report presents an overview and the objectives and results of Minister Jonson's mission to the WTO in Geneva, Switzerland, Germany, and the United Kingdom. Highlights of the mission include:

- Promoting Alberta's position to WTO officials in London and Geneva on a range of trade issues around agriculture, including BSE, trade remedy rules, and export subsidies,
- Discussing future potential cooperation with Germany in the life sciences area.

To receive a copy of the report, from this mission contact the ministry or visit the website:
http://www.iir.gov.ab.ca/international_relations/missions.asp

2003 Western Premiers' Conference (Kelowna, B.C. June 8-10, 2003)
A series of five communiqués highlight that western premiers agreed on cooperative approaches during discussions on several issues related (but not limited) to BSE disaster relief, health, northern economic development funding, diamond strategy, and future first ministers meetings.

To view the communiqué from this meeting contact the ministry or visit:
http://www.scics.gc.ca/confer03_e.html#June03

To receive a copy of the report, from this mission contact the ministry or visit the website:
http://www.iir.gov.ab.ca/international_relations/missions.asp

Premier Klein's Mission to Washington, D.C. and New York (June 23-28, 2003)
This report presents an overview, the objectives, and the results of the premier's mission to Washington and New York. Mission highlights are:

- Meeting with Vice President Dick Cheney to discuss energy security, oil sands development, Alberta's natural gas supplies, BSE, softwood lumber, and other issues,
- Meeting the Canadian Ambassador to the U.S. Michael Kergin to emphasize the urgency of the BSE issue and urging the embassy to re-double efforts to reopen the border,
- Meetings with key members of Washington's Senate energy committees and Energy Association, promoting the benefits of an Alberta natural gas pipeline hub to deliver potential northern gas to the Lower 48 states, the oil sands, and the security of Alberta's energy supply.

To view the communiqué contact the ministry or visit:
http://www.scics.gc.ca/confer03_e.html#July03

44th Annual Premiers Conference (Charlottetown, P.E.I., July 9-11, 2003)
A series of four communiqués highlight that premiers from across Canada discussed cooperative approaches to health care, Canada-U.S. relations, jobs and the economy, and cooperative federalism.

To view the document, contact the ministry or visit:
http://pnwer.org/Summer2003/ActionPoints.htm

Pacific NorthWest Economic Region Annual Summit (Calgary, Alberta, July 16, 2003)
Following the Pacific NorthWest Economic Region (PNWER) Annual Summit, a "Resolutions and Action Points" document was released by PNWER detailing action points for various PNWER working groups, including agriculture, border issues, and energy.

To receive a copy of the bulletin, contact the ministry or visit:
http://www.iir.gov.ab.ca/about_us/pdfs/(2.4E.6)-ib-abdisappointed_wto_cancun_19sept03.pdf

World Trade Organization Meetings (Cancún, Mexico, September 10-14, 2003)
This information bulletin provides a summary of the 5th Ministerial Meeting of the World Trade Organization (WTO) in Cancún, Mexico. The meeting marked the scheduled mid-point in the current round of international trade negotiations, known as the "Doha Development Agenda." Alberta noted its disappointment with the results of the ministerial meeting. Although some progress was made in clarifying agricultural positions, negotiations did not move forward significantly.
The meeting did provide Alberta, which attended as part of the Canadian delegation, with an opportunity to promote its priorities in the areas of agriculture and trade remedies with Canadian federal officials and non-governmental industry representatives, as well as with representatives from other countries.

Alberta-British Columbia Joint Cabinet Meeting (Calgary, Alberta, October 8, 2003)
The news release issued for this meeting identifies that Premier Klein and British Columbia Premier Gordon Campbell signed a Protocol of Cooperation committing their governments to working together more closely.
The release also referenced the signing of memorandums of understanding on child welfare, learning, and tourism.

To view the news releases, contact the ministry or visit:
- http://www.gov.ab.ca/acn/200310/15279.html
- http://www.iir.gov.ab.ca/canadian_intergovernmental_relations/interprovincial_relations_ab_bc_premiers.asp

Council of the Federation Meetings (Quebec City, Quebec, October 23-24, 2003; Charlottetown, P.E.I., December 4-5, 2003; Vancouver, B.C., February 23-24, 2004)
A series of news releases track the development of the Council of the Federation – from the initial meeting of premiers in Quebec and the signing of the Founding Agreement for the Council of the Federation in Charlottetown, to the first meeting of the Council in Vancouver.
The news releases stress the objectives of the Council of the Federation and their priorities for 2004, namely health care, the economy, and strengthening the federation.

To view the news releases, contact the ministry or visit:
- http://www.scics.gc.ca/cinfo03/850094004_e.html
- http://www.scics.gc.ca/cinfo03/850095004_e.html
- http://www.scics.gc.ca/cinfo03/850095003_e.html
- http://www.scics.gc.ca/cinfo04/850096004_e.html

Premier Klein's Mission to India (January 11-21, 2004)
This report presents an overview, the mission objectives, and the results of the Premier's mission to India in January 2004.
Among the mission highlights were:
- Delivering an address at the 2004 Indian Oil and Gas Conference in New Delhi, attended by several hundred Indian oil and gas industry representatives, along with energy representatives from other countries.
  The address provided information on Alberta's energy reserves as well as expertise in oil and gas development, and production and services.
- Meeting with the Chief Minister of Maharashtra in Mumbai and other key business representatives to promote Alberta's expertise in a range of fields as a business partner.

To receive a copy of the report, contact the ministry or visit:
http://www.iir.gov.ab.ca/international_relations/missions.asp

Alberta's Update on the Agreement on Internal Trade (July 15, 2003)
This update on issues pertaining to the Agreement on Internal Trade provides information on developments relating to negotiations, decisions by the Ministerial Committee on Internal Trade, future directions and Alberta's position with respect to domestic trade issues.

To receive the document, contact the ministry or visit:
http://www.iir.gov.ab.ca/trade_policy/pdfs/AIT_update.pdf

Progress of Complaints and Disputes under the Agreement on Internal Trade
Since the inception of the Agreement on Internal Trade in 1995, a "Record of Complaints and Disputes Involving Alberta" demonstrating the progress of complaints and disputes under the agreement, is posted on the IIR Web Site.

To receive a copy of the record, contact the ministry or visit:
http://www.iir.gov.ab.ca/trade_policy/interprovincial_dispute_resolution.asp

As of July 2003, there were six active complaints by Albertans against various other provinces. Complaints regarding consumer measures, labour mobility, and agricultural practices are currently in the consultation or panel stage of dispute resolution under the AIT, while a procurement complaint should be resolved by the end of 2004 pending the adoption of new Crown procurement rules under the AIT. A complaint regarding investment measures is currently being addressed.

No complaints were issued against Alberta in 2003-2004.

D. International and Intergovernmental Agreements

Pursuant to the provincial government's *Government Organization Act*, the Minister of IIR must review and approve all intergovernmental agreements entered into by ministries of the Government of Alberta.

This review is undertaken to ensure consistency with Alberta's intergovernmental and international approach and direction across all ministries, and to ensure a common Alberta position in negotiations with other governments.

As part of this review and approval process, IIR compiles an annual inventory of all intergovernmental agreements entered into by the government. This process is built into the preparation process and timelines for the Annual Report.

Information for the inventory is obtained from key contacts within Alberta government ministries, and then compiled into a list, which is included in IIR's Annual Report.

The Annual Report, and the list of intergovernmental agreements, is reviewed and approved by the Minister of IIR.

E. Performance Measure -
Client Satisfaction Survey

IIR consults with clients on its contribution to advancing Alberta's priorities and positions through biennial surveys. The last survey was conducted in January 2003.

The survey specifically attempts to track ministry performance in achieving both its mission and vision (see the appendices in this Annual Report). The survey also measures the ministry's success in contributing to government-wide priorities and positions in international and intergovernmental relations.

Objective

The objective of the ministry is to keep the survey precise and succinct. The 2003 survey differed from the survey conducted in 2001, in that it did not include questions about Aboriginal relations. As of March 2001, the provincial government created a ministry separate from IIR (Aboriginal Affairs and Northern Development).

Questions related to intergovernmental relations remained a part of the 2003 survey to facilitate a comparison between the results of previous surveys.

Given the scope of the survey and the demands it places on respondents, surveys have been conducted every two years.

The 2003 survey is the fifth such survey since this performance measure was initiated in 1995.

To ensure useful and credible data, the ministry follows these principles when conducting the survey:

- Surveys are conducted by a third party and the anonymity of respondents is guaranteed;
- Selection of surveyed clients is inclusive (known critics are included);
- Questions are probing and related to ministry goals and strategies;
- Survey results are used internally to improve business practices.

Target

The ministry's target, as referenced in Budget 2002, is to achieve a high satisfaction rating of 4.0 out of a five-point scale from the ministry's key clients.

Methodology

The ministry retained a consultant to coordinate the survey in 2003. The consultant assembled the survey and mailing list with input from ministry staff. The consultant directly contacted potential respondents through regular mail or electronic mail to seek their responses.

A total of 317 clients were contacted on January 8, 2003 with a request to complete the survey by January 24, 2003. Of those notified, 264 were internal clients (provincial government) and 53 were external clients (non-government). Nineteen surveys were returned unanswered because the individual being surveyed was no longer a ministry client, for an adjusted client list of 298.

Completed surveys were accepted up to and including January 31, 2003. One hundred and fifty seven surveys had been received by that date, for an overall response rate of 53% (the 2001 response rate was 54% and the 1999 response rate was 53%).

The survey aims to collect feedback on client satisfaction in three areas:

1. IIR services;
2. IIR program areas;
3. Overall client satisfaction.

1. IIR Services

Clients are asked a series of questions about their satisfaction in four services areas: advancing Alberta's interests, coordination, strategic advice, and interpretation.

Respondents are asked to rate service performance on a five-point scale, ranging from 1=very dissatisfied to 5=very satisfied.

Responses to questions result in ratings on overall client satisfaction with these services.

2. IIR Program Areas
Respondents are asked a series of questions to assess their satisfaction with each of the three sections of the ministry (Canadian Intergovernmental Relations; International Relations; Trade Policy). This question was first added in 1999.
Respondents are asked to rate ministry performance on a five-point scale, ranging from 1=very dissatisfied to 5=very satisfied.
Responses to questions result in ratings on overall client satisfaction with these program areas.

3. Overall Client Satisfaction
Respondents are asked to assess their overall satisfaction with staff effectiveness and accessibility, ranging from 1=very dissatisfied to 5=very satisfied.
Responses to questions result in ratings on overall client satisfaction of the customer service provided.

Results for each of the areas polled in the client satisfaction survey in 2003 are detailed in Appendix 1 on Page 72. Comparisons to previous years' results are also shown.

The ministry finds the semi-annual client survey useful in evaluating the satisfaction of key clients, both within and outside the Alberta government. While very positive results are evident throughout each of the five surveys completed to date, there are minor variations that generate internal review. Staff make use of the information and feedback to consider their interaction with clients for the future.

F. Performance Measure - Public Polling

A measure of Alberta government performance in federal/provincial relations is public polling data on Albertans' satisfaction level of in this area. While this data does not relate directly to the performance of the ministry, it tracks public perception of government performance in federal/provincial relations.

The polling data is based on a national opinion poll conducted four times a year by Environics Canada, surveying provincial and federal government performance, as reported in the *Focus Canada Report*.

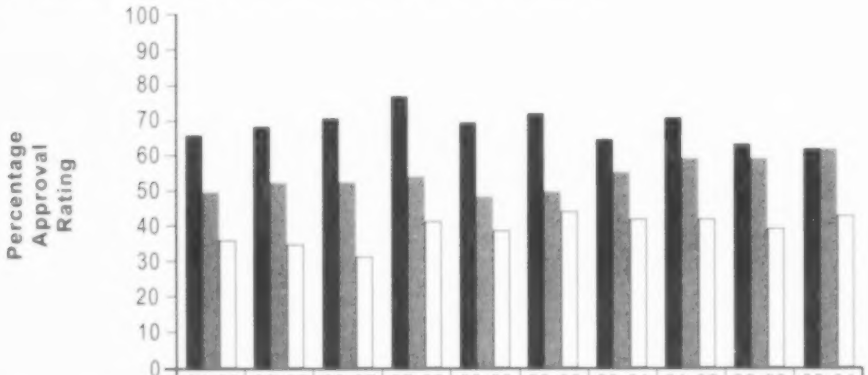
Respondents are specifically asked to rate their approval or disapproval of the way their government (provincial and federal) is handling federal-provincial relations.

The average of the four surveys each year shows the percentage of citizens approving of their respective governments' performance. Alberta's target is to maintain the Alberta government's public approval rating in federal-provincial relations on par with the average of British Columbia, Saskatchewan, Manitoba and Ontario. These four provinces are used as a benchmark because they are closest to Alberta in terms of geography, history, demographics, and political concerns.

Alberta's approval rating in 2003-2004 for federal-provincial relations was on target. At 61 per cent, Alberta's approval rating equals the four-province average. The federal government rating was 43 per cent.

In previous years, this information was provided by calendar year. Due to the shift in government-wide reporting standards for performance measures, the information is now presented by fiscal year.

FEDERAL/PROVINCIAL RELATIONS APPROVAL RATINGS



	94-95	95-96	96-97	97-98	98-99	99-00	00-01	01-02	02-03	03-04
Alberta	66	68	70	76	69	71	65	70	63	61
4 Province Average	50	52	53	53	48	49	55	59	59	61
Federal Government	36	33	31	41	38	44	42	42	39	43

Source: *Environics Canada Focus Canada Report*

For each quarterly survey done in the Focus Canada Report, Environics completes telephone interviews of more than 2,000 Canadians. For the 2004-1 edition of the questionnaire, a total of 204 interviews were conducted in Alberta, 695 in western Canada (British Columbia, Alberta, Saskatchewan and Manitoba), and 2,014 across Canada. The margin of error nationally is +/- 2.2 per cent, 19 times out of 20. The margin of error rises as the sample sizes fall (for Alberta it is 6.9 per cent; for the Prairie provinces it is 4.6 per cent).

The sample selection technique used was random digit dialing (RDD). The population is stratified into 10 regions (one of which is Alberta); four community sizes (those over 1 million would be the largest and those under 5,000 would be the smallest); and employs gender and age quotas.

Additional details on methodology are available from the ministry.

Modifications to this Measure

After many years of relying on this performance measure, IIR is reviewing it to assess its on-going value and relevance to intergovernmental relations.

The current measure compares Albertans' views on the Alberta government's performance to the views of those in the four nearest provinces regarding their provincial government's performance. A potential modified measure under consideration highlights Albertans' views of the Alberta government's management of federal-provincial relations, since the actions of the Alberta government and of IIR are more likely to have an impact on the views of Albertans.

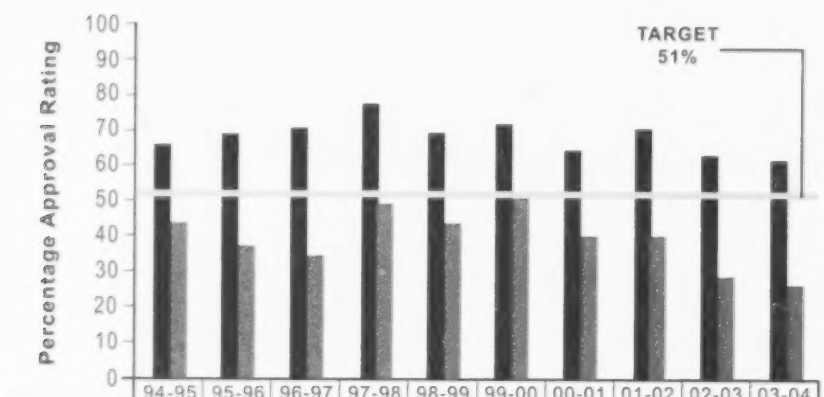
Data showing Albertans' satisfaction with the federal government on federal-provincial relations is shown for comparison.

The target for the modified measure is to maintain the Alberta government's public approval rating in federal-provincial relations equal to or above 51 percent.

The shaded line on the bar chart on the adjacent page shows where this 51 per cent target lies.

In a democratic society, it is acceptable to operate in an environment where the majority supports directions taken.

ALBERTANS' SATISFACTION WITH THE ALBERTA GOVERNMENT'S AND FEDERAL GOVERNMENT'S APPROACH TO FEDERAL-PROVINCIAL RELATIONS



	94-95	95-96	96-97	97-98	98-99	99-00	00-01	01-02	02-03	03-04
Alberta	66	68	70	76	69	71	65	70	63	61
Canada	44	37	36	48	45	51	40	40	29	28

Source: *Environics Canada Focus Canada Report*

Secondary Indicators

IIR uses trade statistics as secondary indicators that track macroeconomic trends. While not direct measures of the ministry's performance, these indicate the environment within which the ministry works to achieve its goals. Changes in trade statistics that indicate export performance are due to many factors. Exports may increase because of fluctuations in world commodity prices or the Canadian dollar.

Alberta's trade performance also reflects the aggressiveness of Alberta's private sector in opening up new markets. Some of the changes in performance may also be attributable to the impact of trade disputes or to successes in removing trade barriers in key markets.

Information on the following trade statistics can be found in Appendix 2, or at: http://www.iir.gov.ab.ca/trade_policy/international_trade_stats.asp:

- Alberta's Top 50 Export Destinations (2001, 2002 and 2003)
- Alberta's Top Export Destinations - Excluding the U.S. (2003)
- Alberta's Top 25 Commodity Exports (2001, 2002 and 2003)
- Provincial Export Comparison (2001, 2002 and 2003)
- Western Canadian Exports to FTA/NAFTA Partners

Data for the above identified trade statistics are obtained from Statistics Canada's World Trade Atlas-Canadian Edition (WTA) database. Information about this database is available at the following website: http://www.statcan.ca/english/ads/trade/atlas.htm.

The WTA data set collects Canadian merchandise trade data, assembled by Statistics Canada using the International Harmonized Commodity, Description and Coding System. IIR receives this information on a biannual basis (monthly updates are also available). The statistics posted on the IIR web site are taken from preliminary year-end data, which was published in mid-February 2003. Re-exports (i.e., exports of goods that have been imported from abroad and only superficially altered in Canada) are not included in these summaries.

Government-Wide Measures

The public polling data described above is a key measure for Goal 9 of the Government of Alberta's 2003-06 Business Plan:

> "Alberta will have a financially stable, open and accountable government and a strong intergovernmental position in Canada."

The Ministry also helped contribute to the Government of Alberta's Goal 7:

> "Alberta will have a prosperous economy" by working toward the achievement of each of the ministry's three goals.

FINANCIAL STATEMENTS

- AUDITOR'S REPORT
- STATEMENT OF OPERATIONS
- STATEMENT OF FINANCIAL POSITION
- STATEMENT OF CASH FLOW
- NOTES TO THE FINANCIAL STATEMENTS
- SCHEDULES TO THE FINANCIAL STATEMENTS
  - EXPENSES DIRECTLY INCURRED DETAILED BY OBJECT
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  - SALARY AND BENEFITS DISCLOSURE
  - RELATED PARTY TRANSACTIONS
  - ALLOCATED COSTS

AUDITOR'S REPORT

AUDITOR GENERAL
Alberta

AUDITOR'S REPORT

To the Members of the Legislative Assembly

I have audited the statement of financial position of the Ministry of International and Intergovernmental Relations as at March 31, 2004 and the statements of operations and cash flow for the year then ended. These financial statements are the responsibility of the Ministry's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Ministry as at March 31, 2004 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Fred J. Dunn FCA
Auditor General

Edmonton, Alberta
May 21, 2004

STATEMENT OF OPERATIONS

For the Year Ended March 31, 2004

(in thousands of dollars)

	2004 Budget	2004 Actual	2003 Actual
Revenues			
Other Revenue	$ -	$ 17	$ 9
Expenses - Directly Incurred (Note 2b and Schedule 5)			
Voted (Schedules 1 and 2)			
International and Intergovernmental Relations	6,468	6,461	6,073
Statutory (Schedules 1 and 2)			
Valuation Adjustments Provision (Decrease) for Vacation Pay	-	21	(13)
	6,468	6,482	6,060
Net Operating Results	$ (6,468)	(6,465)	$ (6,051)

** The accompanying notes and schedules are part of these financial statements.*

FINANCIAL STATEMENTS

STATEMENT OF OPERATIONS
For the Year Ended March 31, 2004

	2004 Budget	2004 Actual	2003 Actual
Revenues			
Other Revenue	$	$ (7)	$ (1)
Expenses - Directly Incurred (Note 2b and Schedule 5)			
Voted (Schedules 1 and 3)			
Program	6,468	6,461	6,035
Statutory (Schedules 1 and 2)			
Program		2	1
	6,468	6,463	6,036
Net Operating Result	$ (6,468)	(6,465)	$ (6,051)

STATEMENT OF FINANCIAL POSITION

As at March 31, 2004

(in thousands of dollars)

	2004	2003
Assets		
Cash	$ -	$ 2
Accounts Receivable	-	5
Advances	7	10
	$ 7	$ 17
Liabilities		
Accounts Payable and Accrued Liabilities (Note 3)	$ 786	$ 829
Net Liabilities		
Net Liabilities at Beginning of Year	(812)	(673)
Net Operating Results	(6,465)	(6,051)
Net Transfer from General Revenues	6,498	5,912
Net Liabilities at End of Year	(779)	(812)
	$ 7	$ 17

The accompanying notes and schedules are part of these financial statements.

STATEMENT OF CASH FLOW

For the Year Ended March 31, 2004

(in thousands of dollars)

	2004	2003
Operating Transactions		
Net Operating Results	$ (6,465)	$ (6,051)
Non-Cash Items Included in Net Operating Results		
Valuation Adjustments	21	(13)
	(6,444)	(6,064)
Decrease in Accounts Receivable	5	5
Decrease in Advances	3	1
(Decrease) Increase in Accounts Payable and Accrued Liabilities	(64)	148
Cash Applied to Operating Transactions	(6,500)	(5,910)
Financing Transactions		
Net Transfer from General Revenues	6,498	5,912
Increase (Decrease) in Cash	(2)	2
Cash, Beginning of Year	2	-
Cash, End of Year	$ -	$ 2

** The accompanying notes and schedules are part of these financial statements.*

STATEMENT OF FINANCIAL POSITION

As at March 31, 2004

(in thousands of dollars)

	2004	2003
Assets		
Cash	$ -	$ 2
Accounts Receivable	-	3
Advances	7	12
	$ 7	$ 17
Liabilities		
Accounts Payable and Accrued Liabilities (Note 3)	$ 786	$ 829
Net Liabilities		
Net Liabilities at Beginning of Year	(812)	(673)
Net Operating Results	(6,465)	(6,951)
Net Transfer from General Revenues	6,498	6,812
Net Liabilities at End of Year	(779)	(812)
	$ 7	$ 17

The accompanying notes and schedules are part of these financial statements.

STATEMENT OF CASH FLOW

For the Year Ended March 31, 2004

(in thousands of dollars)

	2004	2003
Operating Transactions		
Net Operating Results	$ (6,465)	$ (6,051)
Non-Cash Items Included in Net Operating Results:		
Valuation Adjustments	21	(13)
	(6,444)	(6,064)
(Increase) in Accounts Receivable	5	5
(Increase) in Advances	3	1
(Decrease) Increase in Accounts Payable and Accrued Liabilities	(64)	148
Cash Applied to Operating Transactions	(6,500)	(5,910)
Financing Transactions		
Net Transfer from General Revenues	6,498	5,912
Increase (Decrease) in Cash	(2)	2
Cash, Beginning of Year	2	-
Cash, End of Year	$ -	$ 2

The accompanying notes and schedules are part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS (YEAR ENDED MARCH 31, 2004)

Note 1: Authority and Purpose

The Ministry of International and Intergovernmental Relations operates under the authority of the *Government Organization Act, Chapter G-10, Revised Statutes of Alberta 2000.*

The purpose of the Ministry of International and Intergovernmental Relations is to lead in the development of government-wide strategies and policies for Alberta's relations with international governments and organizations; and federal, provincial, and territorial governments in Canada.

Note 2: Summary of Significant Accounting Policies and Reporting Practices

The recommendations of the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants are the primary source for the disclosed basis of accounting. Recommendations of the Accounting Standards Board of the Canadian Institute of Chartered Accountants, other authoritative pronouncements, accounting literature, and published financial statements relating to either the public sector or analogous situations in the private sector are used to supplement the recommendations of the Public Sector Accounting Board where it is considered appropriate. These financial statements are prepared in accordance with the following accounting policies that have been established by government for all ministries.

(a) Reporting Entity

The reporting entity is the Ministry of International and Intergovernmental Relations for which the Minister of International and Intergovernmental Relations is accountable.

All departments of the Government of Alberta operate within the General Revenue Fund (the Fund). The Fund is administered by the Minister of Finance. All cash receipts of departments are deposited into the Fund and all cash disbursements made by departments are paid from the Fund. Net transfer (to) from General Revenues is the difference between all cash receipts and all cash disbursements made.

(b) Basis of Financial Reporting

Revenues

All revenues are reported on the accrual basis of accounting.

Expenses

Directly Incurred

Directly incurred expenses are those costs the Ministry has primary responsibility and accountability for as reflected in the Government's budget documents.

In addition to program operating expenses like salaries, supplies, etc., directly incurred expenses also include:

- pension costs which comprise the cost of employer contributions for current service of employees during the year
- valuation adjustments which include changes in the valuation allowances used to reflect financial assets at their net recoverable or other appropriate value. Valuation adjustments also represent the change in management's estimate of future payments arising from obligations relating to vacation pay, guarantees, and indemnities.

Incurred by Others

Services contributed by other entities in support of the Ministry operations are disclosed in Schedule 5.

Assets

Financial assets of the Ministry are limited to financial claims, such as advances to and receivables from other organizations, employees, and other individuals. The fair values of the financial assets are estimated to approximate their carrying values because of the short term nature of these instruments. Fair value is the amount of consideration agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act.

Accounts receivable are unsecured and non-interest bearing.

Advances represent amounts provided to Ministry employees for travel expenses and are non-interest bearing and recoverable on demand.

The threshold for capitalizing new systems development is $100,000 and the threshold for all other tangible capital assets is $15,000. The Ministry has no capital assets exceeding these thresholds.

Liabilities

Liabilities represent all financial claims payable by the Ministry at fiscal year end. The fair value of accounts payable and accrued liabilities is estimated to approximate their carrying value.

Net Liabilities

Net liabilities represents the difference between the value of assets held by the Ministry and its liabilities.

Note 7 Accounts Payable and Accrued Liabilities

	2004	2003
Accounts Payable	$ 31	$ 100
Accrued Liabilities		
	272	200
	52	47
	3	3
	429	279
	1	1
	$ 786	$ 629

Note 8 Commitments

Note 9 Defined Benefit Plans

Note 3: Accounts Payable and Accrued Liabilities

(in thousands of dollars)

	2004	2003
Accounts Payable	$ 33	$ 153
Accrued Liabilities:		
Manpower	272	205
Supplies and Services	53	67
Grants	8	8
Vacation Pay	409	388
Other	11	8
	$ 786	$ 829

Note 4: Commitments

(in thousands of dollars)

As of March 31, 2004, the Ministry had no service contract commitments (2003 - $340).

Note 5: Defined Benefit Plans

(in thousands of dollars)

The Ministry participates in the multi-employer pension plans, Management Employees Pension Plan and Public Service Pension Plan. The Ministry also participates in the multi-employer Supplementary Retirement Plan for Public Service Managers. The expense for these pension plans is equivalent to the annual contributions of $381 for the year ended March 31, 2004 (2003 - $333).

At December 31, 2003, the Management Employees Pension Plan reported a deficiency of $290,014 (2002 - $301,968) and the Public Service Pension Plan reported an actuarial deficiency of $596,213 (2002 - $175,528). At December 31, 2003, the Supplementary Retirement Plan for Public Service Managers had an actuarial surplus of $9,312 (2002 - $6,472).

The Ministry also participates in two multi-employer Long Term Disability Income Continuance Plans. At March 31, 2004, the Bargaining Unit Plan reported an actuarial deficiency of $9,766 (2003 - $14,434) and the Management, Opted Out, and Excluded Plan reported an actuarial surplus of $1,298 (2003 - actuarial deficiency of $3,053). The expense for these two plans is limited to employer's annual contributions for the year.

Note 6: Comparative Figures

Certain 2003 figures have been reclassified to conform to the 2004 presentation.

Note 7: Approval of Financial Statements

The financial statements were approved by the Senior Financial Officer and the Deputy Minister.

SCHEDULES TO THE FINANCIAL STATEMENTS

SCHEDULE 1: EXPENSES- DIRECTLY INCURRED DETAILED BY OBJECT

For the Year Ended March 31, 2004

(in thousands of dollars)

	2004 Budget	2004 Actual	2003 Actual
Voted:			
Salaries, Wages, Employee Benefits	$ 4,327	$ 4,473	$ 4,121
Supplies and Services	2,057	2,020	1,979
Supplies and Services from Support Service Arrangements with Related Parties (a)	-	53	45
Grants	-	8	8
Financial Transactions and Other	84	77	76
Total Voted Expenses Before Recoveries	6,468	6,631	6,229
Less Recovery from Support Service Arrangements with Related Parties (b)	-	(170)	(156)
	$ 6,468	$ 6,461	$ 6,073
Statutory:			
Valuation Adjustments Provision (Decrease) for Vacation Pay	-	21	(13)
	$ -	$ 21	$ (13)

(a) The Ministry receives financial reporting and human resource services from the Ministry of Learning.

(b) The Ministry provides financial, information technology, and administrative services to the Ministry of Aboriginal Affairs and Northern Development.

SCHEDULE 2: **COMPARISON OF EXPENSES - DIRECTLY INCURRED BY ELEMENT TO AUTHORIZED BUDGET**

For the Year Ended March 31, 2004

(in thousands of dollars)

	2003-2004 Authorized Budget	2003-2004 Actual (a)	Unexpended (Over Expended)
Voted Expenses:			
International and Intergovernmental Relations			
1.0.1 Minister's Office	$ 310	$ 303	$ 7
1.0.2 Corporate Services	1,885	2,029	(144)
1.0.3 Cdn Intergovernmental Relations	1,594	1,456	138
1.0.4 International Relations	1,692	1,666	26
1.0.5 Trade Policy	987	1,007	(20)
	$ 6,468	$ 6,461	$ 7
Statutory Expenses			
Valuation Adjustments			
Provision (Decrease) for Vacation Pay	$ -	$ 21	$ (21)

(a) Includes achievement bonus amounting to $245

SCHEDULES TO THE FINANCIAL STATEMENTS

SCHEDULE 1: EXPENSES - DIRECTLY INCURRED DETAILED BY OBJECT
For the Year Ended March 31, 2004

(in thousands of dollars)

	2004 Budget	2004 Actual	2003 Actual
Voted:			
Salaries, Wages, Employee Benefits	$ 4,327	$ 4,473	$ 4,121
Supplies and Services	2,057	2,020	1,979
Supplies and Services from Support Service Arrangements with Related Parties [1]	-	53	45
Grants	2	8	2
Financial Transactions and Other	84	77	76
Total Voted Expenses	6,468	6,631	6,223
Less Recoveries from Support Service Arrangements with Related Parties [2]	-	(170)	(196)
	$ 6,468	$ 6,461	$ 6,027
Statutory:			
Valuation Adjustments:			
Provision (Recovery) for Doubtful Accounts	-	21	(13)
	$ -	$ 21	$ (13)

SCHEDULE 2: COMPARISON OF EXPENSES - DIRECTLY INCURRED BY ELEMENT TO AUTHORIZED BUDGET

For the Year Ended March 31, 2004

(in thousands of dollars)

	2003-2004 Authorized Budget	2003-2004 Actual (a)	Unexpended (Over Expended)
Voted Expenses:			
International and Intergovernmental Relations:			
1.0.1 Minister's Office	$ 310	$ 303	$ 7
1.0.2 Corporate Services	1,885	2,029	(144)
1.0.3 Can-Intergovernmental Relations	1,594	1,456	138
1.0.4 International Relations	1,692	1,666	26
1.0.5 Trade Policy	987	1,007	(20)
	$ 6,468	$ 6,461	$ 7
Statutory Expenses			
Valuation Adjustments:			
Provision (Decrease) for Vacation Pay	$ -	$ 21	$ (21)

(a) Includes achievement bonus amounting to $245

SCHEDULE 3: SALARY AND BENEFITS DISCLOSURE

For the Year Ended March 31, 2004

	2004 Base Salary [1]	2004 Other Cash Benefits[2]	2004 Non-Cash Benefits[3]	2004 Total	2003 Total
Deputy Minister [4]	$ 152,808	$ 33,230	$ 36,024	$ 222,062	$ 230,295
Executives					
Assistant Deputy Minister International Relations	124,776	27,511	28,063	180,350	163,151
Assistant Deputy Minister Cdn. Intergov. Relations	122,856	22,995	27,549	173,400	161,586
Alberta Trade Representative	117,368	17,403	24,713	159,484	140,394
Director Corporate Services [5]	89,868	16,488	19,477	125,833	105,407

Total salary and benefits relating to a position are disclosed.

(1) Base salary includes pensionable base pay.

(2) Other cash benefits include bonuses, vacation payments, overtime, and lump sum payments.

(3) Non-cash benefits include government's share of all employee benefits and contributions or payments made on behalf of employees including pension, health care, dental coverage, group life insurance, short and long term disability plans, professional memberships and tuition fees.

(4) Automobile provided, no dollar amount included in other cash benefits figure.

(5) The incumbent's services are shared equally with the Ministry of Aboriginal Affairs and Northern Development which contributes its own share of the cost of salary and benefits. Full salary and benefits are disclosed in this Schedule.

SCHEDULE 4: RELATED PARTY TRANSACTIONS

For the Year Ended March 31, 2004

(in thousands of dollars)

Related parties are those entities consolidated or accounted for on the modified equity basis in the Province of Alberta's financial statements. Related parties also include management in the Ministry.

The Ministry and its employees paid or collected taxes and fees set by regulation for permits, licenses, and other charges. These amounts were incurred in the normal course of business, reflect charges applicable to all users, and have been excluded from this Schedule.

The Ministry had the following transactions with related parties recorded on the Statement of Operations and the Statement of Financial Position at the amount of consideration agreed upon between the related parties.

	2004	2003
Expenses - Directly Incurred		
Supplies and services provided by other ministries	[illegible]	$ 473

The above transactions do not include support service arrangement transactions disclosed in Schedule 1.

The Ministry also had the following transactions with related parties for which no consideration was exchanged. The amounts for these related party transactions are estimated based on costs incurred by the service provider to provide the service. These amounts are not recorded in the financial statements but are disclosed in Schedule 5.

	2004	2003
Expenses - Incurred by Others		
Accommodation	[illegible]	$ 763
Legal	[illegible]	46
	[illegible]	$ 809

SCHEDULE 3 SALARY AND BENEFITS DISCLOSURE

For the Year Ended March 31, 2004

	2004 Base Salary	2004 Other Cash Benefits	2004 Non-Cash Benefits	2004 Total	2003 Total
Deputy Minister	$ 152,808	$ 11,230	$ 16,024	$ 180,062	$ 176,041
Executives					
Assistant Deputy Minister	124,776	27,511	28,063	180,350	181,751
Assistant Deputy Minister	122,856	22,995	27,549	173,400	161,384
Assistant Deputy Minister	117,368	17,401	24,714	159,483	150,194
Executive Director	89,868	15,490	19,477	124,835	117,407

SCHEDULE 4: RELATED PARTY TRANSACTIONS

For the Year Ended March 31, 2004

(in thousands of dollars)

Related parties are those entities consolidated or accounted for on the modified equity basis in the Province of Alberta's financial statements. Related parties also include management in the Ministry.

The Ministry and its employees paid or collected taxes and fees set by regulation for permits, licenses, and other charges. These amounts were incurred in the normal course of business, reflect charges applicable to all users, and have been excluded from this Schedule.

The Ministry had the following transactions with related parties recorded on the Statement of Operations and the Statement of Financial Position at the amount of consideration agreed upon between the related parties:

	2004	2003
Expenses - Directly Incurred		
Supplies and services provided by other ministries	$ 494	$ 473

The above transactions do not include support service arrangement transactions disclosed in Schedule 1.

The Ministry also had the following transactions with related parties for which no consideration was exchanged. The amounts for these related party transactions are estimated based on costs incurred by the service provider to provide the service. These amounts are not recorded in the financial statements but are disclosed in Schedule 5.

	2004	2003
Expenses - Incurred by Others		
Accommodation	$ 912	$ 763
Legal	21	46
	$ 933	$ 809

SCHEDULE 5: ALLOCATED COSTS

For the Year Ended March 31, 2004

(in thousands of dollars)

	2004	2003
International and Intergovernmental Relations		
Expenses Directly Incurred	$ 6,461	$ 6,073
Expenses Incurred by Others		
Accommodation Costs	912	763
Legal Costs	21	46
	7,394	6,882
Valuation Adjustments		
Vacation Pay	21	(13)
Total Expenses	$ 7,415	$ 6,869

(1) Expenses - Directly Incurred as per Statement of Operations, excluding valuation adjustments.

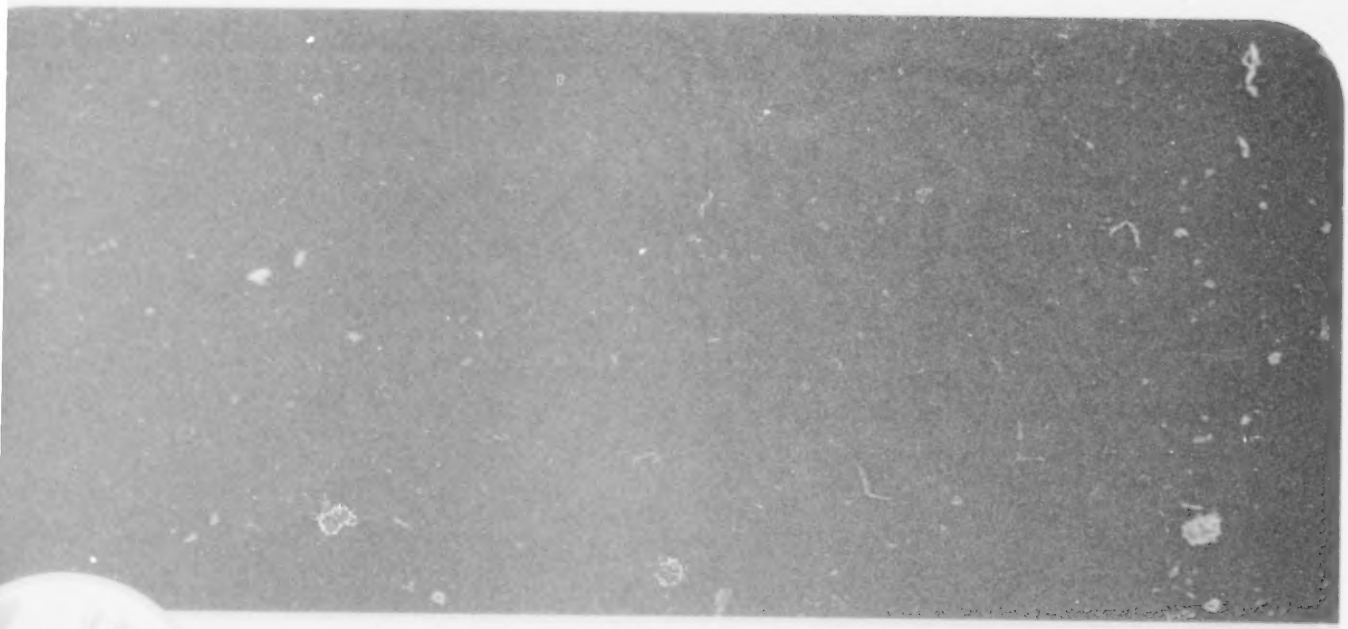
SCHEDULE 5: ALLOCATED COSTS

For the Year Ended March 31, 2004

(in thousands of dollars)

	2004	2003
International and Intergovernmental Relations		
Expenses Directly Incurred [1]	6,461	$ 6,073
Expenses Incurred by Others		
Accommodation Costs	912	763
Legal Costs	21	46
	7,394	6,882
Valuation Adjustments		
Vacation Pay	21	(13)
Total Expenses	$ 7,415	$ 6,869

(1) Expenses - Directly Incurred as per Statement of Operations, excluding valuation adjustments.



APPENDICES

(UNAUDITED)

- 2003 IIR CLIENT SATISFACTION SURVEY RESULTS
- TRADE STATISTICS USED AS SECONDARY INDICATORS
- INTERNATIONAL / INTERGOVERNMENTAL AGREEMENT LISTING
- LIST OF GOVERNMENT ENTITIES' FINANCIAL STATEMENTS

APPENDIX 1:
2003 IIR CLIENT SATISFACTION SURVEY RESULTS

The results shown below are taken directly from survey summary results provided to IIR from the consultant hired to conduct the survey.

Results are based on respondents' feedback on a series of questions. Respondents are asked to rate ministry performance on a five-point scale, ranging from 1=very dissatisfied to 5=very satisfied.

Responses to questions result in ratings on overall client satisfaction with these services.

Advancing Alberta's Interests

"Satisfaction ratings have increased since the survey that was completed in 2001. Overall, clients are very satisfied with services in this area. A service added on the 1999 survey was: managing trade disputes or complaints in the interests of Albertans and Alberta business. Overall, clients are very satisfied with this service in 2003, showing the highest satisfaction response since the statement was introduced in 1999."

	1995	1997	1999	2001	2003
Provides leadership in advancing Alberta's interests with other governments	3.8	4.1	4.1	4.1	4.4
Develops strategies to deal with other governments	3.7	4.0	4.0	4.0	4.3
Negotiates agreements	4.0	4.1	4.2	4.1	4.3
Develops policies where no other government agency has overall/lead responsibility	3.6	4.0	4.0	3.9	4.2
Manages trade disputes/complaints in the interests of Albertans and Alberta business	-	-	4.2	4.0	4.4

Coordination

"Overall, the mean ratings for 2003 are higher than those of the 2001 survey and years previous, indicating clients are very satisfied with coordination services provided by the ministry."

	1995	1997	1999	2001	2003
Organizes meetings, conferences, special events	3.9	4.0	4.1	4.2	4.4
Organizes incoming international visits/missions	4.0	4.1	4.1	4.0	4.3
Coordinates/chairs policy working groups, inter-department committees	3.9	4.0	4.0	4.0	4.3
Implements agreements, policies, protocols and memorandums of understanding, including trade agreements	3.8	4.1	3.9	3.9	4.4

Strategic Advice

"Satisfaction ratings for 2003 are higher than those from the 2001 survey. Overall, clients are very satisfied with services provided by the ministry."

	1995	1997	1999	2001	2003
Provides strategic advice	4.0	4.1	4.1	4.0	4.3
Interprets external events	3.8	4.0	4.0	4.0	4.2
Interprets major agreements	3.9	4.2	4.1	3.9	4.4

Information

"Overall, satisfaction ratings for 2003 have improved noticeably from the 2001 and previous survey indicating clients are very satisfied with information services provided by the ministry."

	1995	1997	1999	2001	2003
Reviews strategic information from outside Alberta/other governments	3.8	3.8	4.0	3.9	4.2
Develops briefing materials that summarize and analyze issues	3.9	4.0	4.1	4.0	4.3
Responds to requests for general information and analysis	4.0	4.0	4.1	4.2	4.4
Provides up-to-date information on its web site	-	-	-	3.9	4.3

Program Areas

Beginning in 1999, clients were asked which sections of the ministry they most dealt with, and their degree of satisfaction with the services provided by each section.
"The mean ratings for each program area of the ministry increased from 2001; there was a high level of satisfaction with all three ministry program areas."

	1999	2001	2003
Canadian Intergovernmental Relations	4.1	4.0	4.4
International Relations	4.2	4.0	4.4
Trade Policy	4.4	4.1	4.3

Customer Satisfaction Measures

"Mean satisfaction ratings for 2003 are similar to those of the 2001 survey. Overall, clients are very satisfied with the customer service provided by ministry staff, but one item, 'emerging issues were anticipated' did not meet the ministry's target of 4.0 or higher."

	1997	1999	2001	2003
Staff were accessible	4.3	4.4	4.5	4.5
Advice contributed to objectives being met	4.2	4.2	4.4	4.3
Information and briefing notes were concise, accurate, useful, timely	4.1	4.2	4.2	4.3
Preparation for meetings/conferences were effective	4.1	4.2	4.2	4.3
Emerging issues were anticipated	3.8	3.9	4.0	3.9
Staff contribution enhanced effectiveness of interdepartmental teams		4.2	4.2	4.2
Staff played a key role in Alberta cross-government initiative(s)		3.9	4.2	4.0

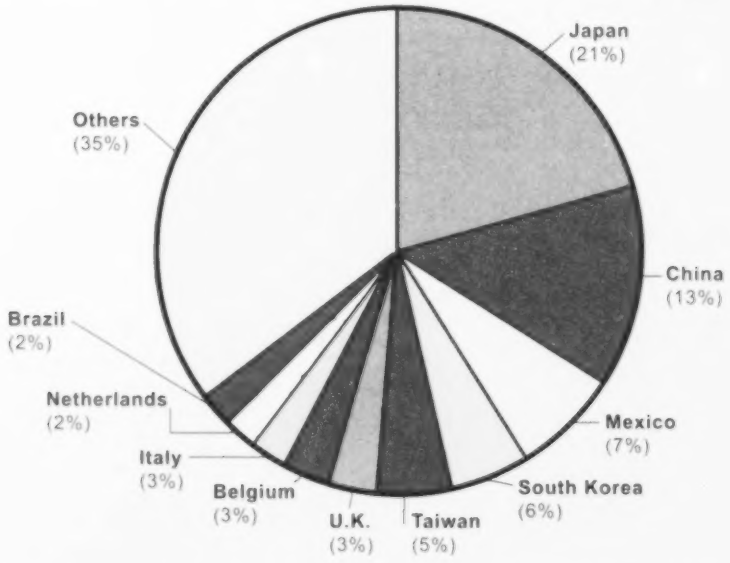
APPENDIX 2:
TRADE STATISTICS USED AS SECONDARY INDICATORS

Secondary Indicator 1: Alberta's Top 50 Export Desitnations (2001, 2002, 2003)

Rank	Country	2003		2002		2001		Change (2003/2002)	
		Export Value ($ million)	% of Total Exports	Export Value ($ million)	% of Total Exports	Export Value ($ million)	% of Total Exports	$	%
1	United States	$ 51,120.3	90.1	$ 42,931.0	88.2	$ 50,632.8	89.0	$ 8,189.3	19.1
2	Japan	$ 1,158.3	2.0	$ 1,233.3	2.5	$ 1,281.5	2.3	-$ 75.0	-6.1
3	China	$ 740.2	1.3	$ 747.2	1.5	$ 873.0	1.5	-$ 7.0	-0.9
4	Mexico	$ 406.2	0.7	$ 447.3	0.9	$ 477.2	0.8	-$ 41.1	-9.2
5	Korea, South	$ 310.1	0.6	$ 434.5	0.9	$ 471.7	0.8	-$ 124.4	-28.6
6	Taiwan	$ 270.8	0.5	$ 271.1	0.6	$ 211.1	0.4	-$ 0.3	-0.1
7	United Kingdom	$ 183.7	0.3	$ 181.1	0.4	$ 175.5	0.3	$ 2.6	1.5
8	Belgium	$ 183.6	0.3	$ 132.3	0.3	$ 118.6	0.2	$ 51.2	38.7
9	Italy	$ 143.0	0.3	$ 126.7	0.3	$ 172.9	0.3	$ 16.3	12.9
10	Netherlands	$ 124.4	0.2	$ 113.3	0.2	$ 114.7	0.2	$ 11.1	9.8
11	Brazil	$ 112.8	0.2	$ 86.1	0.2	$ 93.6	0.2	$ 26.6	30.9
12	Australia	$ 110.4	0.2	$ 72.2	0.1	$ 61.6	0.1	$ 38.2	52.9
13	Hong Kong	$ 96.5	0.2	$ 110.9	0.2	$ 109.3	0.2	-$ 14.4	-13.0
14	Germany	$ 90.9	0.2	$ 97.2	0.2	$ 111.3	0.2	-$ 6.4	-6.6
15	Pakistan	$ 88.9	0.2	$ 14.7	0.03	$ 6.8	0.01	$ 74.2	505.3
16	Indonesia	$ 79.1	0.1	$ 91.1	0.2	$ 93.6	0.2	-$ 12.0	-13.2
17	Singapore	$ 76.1	0.1	$ 89.1	0.2	$ 80.4	0.1	-$ 13.1	-14.6
18	Algeria	$ 75.7	0.1	$ 73.8	0.2	$ 48.7	0.1	$ 1.9	2.6
19	France	$ 65.7	0.1	$ 104.8	0.2	$ 101.1	0.2	-$ 39.1	-37.3
20	Russia	$ 64.3	0.1	$ 55.3	0.1	$ 90.1	0.2	$ 9.0	16.3
21	Spain	$ 61.2	0.1	$ 50.6	0.1	$ 51.6	0.1	$ 10.6	21.0
22	United Arab Emr.	$ 60.6	0.1	$ 53.4	0.1	$ 46.5	0.1	$ 7.3	13.6
23	Thailand	$ 57.3	0.1	$ 63.3	0.1	$ 52.7	0.1	-$ 6.0	-9.4
24	Philippines	$ 52.9	0.1	$ 45.7	0.1	$ 63.7	0.1	$ 7.2	15.7
25	Iran	$ 52.6	0.1	$ 65.3	0.1	$ 152.8	0.3	-$ 12.7	-19.5
26	Cuba	$ 48.7	0.1	$ 43.9	0.1	$ 57.2	0.1	$ 4.8	11.0
27	Ecuador	$ 47.1	0.1	$ 29.9	0.1	$ 35.1	0.1	$ 17.3	57.8
28	Venezuela	$ 42.4	0.1	$ 69.4	0.1	$ 110.1	0.2	-$ 27.0	-38.9
29	Malaysia	$ 40.2	0.1	$ 45.5	0.1	$ 43.4	0.1	-$ 5.3	-11.7
30	India	$ 37.0	0.1	$ 43.4	0.1	$ 56.4	0.1	-$ 6.4	-14.7
31	Saudi Arabia	$ 35.8	0.1	$ 18.5	0.04	$ 27.2	0.05	$ 17.3	93.2
32	South Africa	$ 34.3	0.1	$ 34.1	0.1	$ 25.4	0.04	$ 0.2	0.6
33	Switzerland	$ 29.6	0.1	$ 29.1	0.1	$ 23.0	0.04	$ 0.6	2.0
34	Colombia	$ 29.6	0.1	$ 48.7	0.1	$ 62.5	0.1	-$ 19.1	-39.3
35	Guatemala	$ 28.9	0.1	$ 39.8	0.1	$ 27.9	0.05	-$ 10.9	-27.4
36	Yemen	$ 26.9	0.1	$ 40.2	0.1	$ 25.9	0.05	-$ 13.3	-33.1
37	Morocco	$ 26.2	0.1	$ 28.7	0.1	$ 47.9	0.1	-$ 2.5	-8.7
38	Peru	$ 24.8	0.04	$ 38.9	0.1	$ 28.1	0.05	-$ 14.1	-36.2
39	Norway	$ 24.8	0.04	$ 23.0	0.05	$ 35.3	0.1	$ 1.8	7.6
40	Azerbaijan	$ 24.7	0.04	$ 2.0	0.004	$ 0.4	0.001	$ 22.7	1114.1
41	Chile	$ 22.9	0.04	$ 37.2	0.1	$ 61.6	0.1	-$ 14.3	-38.4
42	New Zealand	$ 22.9	0.04	$ 22.3	0.05	$ 27.8	0.05	$ 0.6	2.5
43	Romania	$ 21.7	0.04	$ 0.8	0.002	$ 1.2	0.002	$ 20.9	2643.8
44	Greece	$ 21.4	0.04	$ 8.8	0.02	$ 11.4	0.02	$ 12.6	142.8
45	Egypt	$ 20.7	0.04	$ 19.3	0.04	$ 53.8	0.1	$ 1.4	7.4
46	Bangladesh	$ 18.6	0.03	$ 7.9	0.02	$ 40.0	0.1	$ 10.7	136.1
47	Sudan	$ 18.1	0.03	$ 22.5	0.05	$ 34.1	0.1	-$ 4.4	-19.6
48	Kazakhstan	$ 16.1	0.03	$ 19.9	0.04	$ 20.3	0.04	-$ 3.8	-19.2
49	Oman	$ 15.9	0.03	$ 13.3	0.03	$ 11.9	0.02	$ 2.5	19.1
50	Ireland	$ 14.7	0.03	$ 22.3	0.05	$ 15.6	0.03	-$ 7.6	-33.9
Subtotal		**$ 56,479.9**	**99.6**	**$ 48,401.1**	**99.4**	**$ 56,576.4**	**99.4**	**$ 8,078.8**	**16.7**
Others		**$ 262.1**	**0.4**	**$ 293.4**	**0.6**	**$ 320.5**	**0.6**	**-$ 31.3**	**-0.2**
The World		**$ 56,742.0**	**100.0**	**$ 48,694.5**	**100.0**	**$ 56,896.9**	**100.0**	**$ 8,047.5**	**16.5**

Source: *Statistics Canada, World Trade Atlas, March 2, 2004 (excludes re-exports)*

Secondary Indicator 2: Alberta's Top Export Desinations (Excluding the United States (2003))



Secondary Indicator 3: Alberta's Top 25 Commodity Exports (2001, 2002, 2003)

Rank	HS Code	Description	2003		2002		2001		Change (2003/2002)	
			Export Value ($ million)	% of Total Exports	Export Value ($ million)	% of Total Exports	Export Value ($ million)	% of Total Exports	$	%
1	271121	Natural gas	$ 22,129.2	39.0	$ 15,740.9	32.3	$ 21,684.0	38.1	$ 6,388.3	40.6
2	270900	Crude oil	$ 15,862.7	28.0	$ 12,666.3	26.0	$ 12,627.0	22.2	$ 3,196.4	25.2
3	271112	Liquefied propane	$ 1,107.0	2.0	$ 925.0	1.9	$ 1,141.4	2.0	$ 182.0	19.7
4	020130	Cuts of beef, boneless, fresh/chilled	$ 890.9	1.6	$ 1,186.4	2.4	$ 1,180.6	2.1	-$ 295.5	-24.9
5	390190	Ethylene polymers, in primary forms	$ 855.3	1.5	$ 578.6	1.2	$ 150.3	0.3	$ 276.8	47.8
6	440710	Coniferous wood (softwood), > 6mm thick	$ 580.4	1.0	$ 659.3	1.4	$ 689.2	1.2	-$ 78.9	-12.0
7	120510	Canola seed (low erucic acid)*	$ 563.5	1.0	$ 391.9	0.8	$ -	0.0	$ 171.6	43.8
8	100190	Wheat (excl. durum wheat)	$ 530.6	0.9	$ 607.0	1.3	$ 979.0	1.7	-$ 76.4	-12.6
9	990100	Low value / confidential transactions	$ 529.7	0.9	$ 566.7	1.2	$ 608.3	1.1	-$ 37.0	-6.5
10	470321	Chemical woodpulp, coniferous, bleached	$ 500.3	0.9	$ 547.4	1.1	$ 622.0	1.1	-$ 47.1	-8.6
11	390120	Polyethylene, with a specific gravity of 0.94 or more	$ 435.0	0.8	$ 209.4	0.4	$ 534.3	0.9	$ 225.6	107.7
12	290250	Styrene	$ 423.8	0.8	$ 506.1	1.0	$ 461.6	0.8	-$ 82.3	-16.3
13	470329	Chemical woodpulp, non-coniferous, bleached	$ 412.1	0.7	$ 420.6	0.9	$ 427.0	0.8	-$ 8.5	-2.0
14	750210	Nickel, unwrought, not alloyed	$ 384.5	0.7	$ 256.1	0.5	$ 219.5	0.4	$ 128.3	50.1
15	441021	Oriented strand- or wafer-board, unworked/sanded*	$ 308.6	0.5	$ 263.6	0.5	$ -	0.0	$ 45.0	17.1
16	290531	Ethylene glycol (ethanediol)	$ 277.3	0.5	$ 341.4	0.7	$ 444.4	0.8	-$ 64.0	-18.8
17	470500	Semi-chemical woodpulp	$ 276.3	0.5	$ 286.0	0.6	$ 254.6	0.5	-$ 9.6	-3.4
18	852520	Transmission/reception apparatus	$ 270.7	0.5	$ 669.9	1.4	$ 1,082.6	1.9	-$ 399.3	-59.6
19	441029	Oriented strand- or wafer-board, not elsewhere specified*	$ 262.6	0.5	$ 123.5	0.3	$ -	0.0	$ 139.1	112.6
20	271019	Refined oil*	$ 245.6	0.4	$ 236.7	0.5	$ -	0.0	$ 9.0	3.8
21	852990	Parts for transmission apparatus (for radio, t.v., etc.)	$ 237.0	0.4	$ 253.2	0.5	$ 342.6	0.6	-$ 16.2	-6.4
22	310210	Urea	$ 222.2	0.4	$ 273.0	0.6	$ 244.7	0.4	-$ 50.9	-18.6
23	281410	Anhydrous ammonia	$ 199.4	0.4	$ 142.6	0.3	$ 183.1	0.3	$ 56.8	39.8
24	390110	Polyethylene, with a specific gravity under 0.94	$ 198.5	0.4	$ 179.3	0.4	$ 359.6	0.6	$ 19.2	10.7
25	010290	Live bovine animals (cattle, etc.)	$ 196.3	0.4	$ 635.2	1.3	$ 712.6	1.3	-$ 438.9	-69.1
Subtotal			**$ 47,899.3**	**84.4**	**$ 38,666.0**	**79.4**	**$ 44,948.5**	**79.0**	**$ 9,233.4**	**23.9**
Other Exports			**$ 8,842.8**	**15.6**	**$ 10,028.5**	**20.6**	**$ 11,948.4**	**21.0**	**-$ 1,185.9**	**-11.8**
The World			**$ 56,742.0**	**100.0**	**$ 48,694.5**	**100.0**	**$ 56,896.9**	**100.0**	**$ 8,047.5**	**16.5**

Source: *Statistics Canada, World Trade Atlas, March 2, 2004 (excludes re-exports)*
** As a result of changes made to the harmonized system of commodity coding in 2001, there are no comparable figures from 2001 for these products.*

Secondary Indicator 4: Provincial Export Comparison (2001, 2002, 2003)

Rank	Province	2003		2002		2001		Change (2003/2002)	
		Export Value ($ million)	% of Total Exports	Export Value ($ million)	% of Total Exports	Export Value ($ million)	% of Total Exports	$	%
1	Ontario	$ 167,673.8	47.4	$ 180,847.7	49.5	$ 178,010.8	47.4	-$ 13,173.8	-7.3
2	Quebec	$ 61,042.7	17.3	$ 65,501.5	17.9	$ 68,167.3	18.2	-$ 4,458.8	-6.8
3	Alberta	$ 56,742.0	16.0	$ 48,694.5	13.3	$ 56,896.9	15.2	-$ 8,047.5	16.5
4	British Columbia	$ 28,549.9	8.1	$ 29,024.7	7.9	$ 31,814.1	8.5	-$ 474.8	-1.6
5	Saskatchewan	$ 10,316.1	2.9	$ 11,164.6	3.1	$ 11,656.4	3.1	-$ 848.5	-7.6
6	Manitoba	$ 8,800.1	2.5	$ 9,406.2	2.6	$ 9,576.2	2.6	-$ 606.0	-6.4
7	New Brunswick	$ 8,495.3	2.4	$ 8,161.0	2.2	$ 8,270.8	2.2	$ 334.3	4.1
8	Nova Scotia	$ 5,357.3	1.5	$ 5,225.7	1.4	$ 5,706.7	1.5	$ 131.7	2.5
9	Newfoundland	$ 4,757.9	1.3	$ 5,530.9	1.5	$ 3,463.9	0.9	-$ 773.0	-14.0
10	Northwest Territory	$ 1,373.9	0.4	$ 897.4	0.2	$ 769.4	0.2	$ 476.5	53.1
11	PEI	$ 639.6	0.2	$ 682.9	0.2	$ 666.4	0.2	-$ 43.4	-6.4
12	Yukon	$ 3.7	0.001	$ 4.0	0.001	$ 9.8	0.003	-$ 0.3	-7.0
13	Nunavut	$ 2.1	0.001	$ 151.6	0.04	$ 220.7	0.1	-$ 149.5	-98.6
Canada		$ 353,754.6	100.0	$ 365,292.6	100.0	$ 375,229.4	100.0	-$ 11,538.1	-3.2

Source: *Statistics Canada, World Trade Atlas, March 2, 2004 (excludes re-exports)*

Secondary Indicator 5: Western Canada Exports to FTA/NAFTA Partners

	1988		1993		1998		2003		5-Year % Growth (1988-1993)	10-Year % Growth (1988-1998)	15-Year % Growth (1988-2003)
	$ Value	% of Total Exports	$ Value	% of Total Exports	$ Value	% of Total Exports	$ Value	% of Total Exports			
Exports from Alberta to:											
Mexico	$ 78	0.6	$ 84	0.4	$ 287	0.9	$ 406	0.7	8	268	421
United States	$ 9,086	69.3	$ 16,693	81.7	$ 25,281	81.5	$ 51,120	90.1	84	178	463
NAFTA Partners	$ 9,164	69.9	$ 16,777	82.1	$ 25,567	82.4	$ 51,527	90.8	83	179	462
The World	$ 13,106	100.0	$ 20,424	100.0	$ 31,010	100.0	$ 56,742	100.0	56	137	333
Exports from Western Canada (Manitoba, Saskatchewan, Alberta and B.C.) to:											
Mexico	$ 195	0.5	$ 295	0.6	$ 760	1.0	$ 917	0.9	51	290	370
United States	$ 20,285	51.6	$ 31,957	66.0	$ 53,116	70.8	$ 83,512	80.0	58	162	312
NAFTA Partners	$ 20,480	52.1	$ 32,252	66.6	$ 53,876	71.8	$ 84,430	80.9	57	163	312
The World	$ 39,310	100.0	$ 48,445	100.0	$ 75,048	100.0	$ 104,408	100.0	23	91	166
Exports from Canada to:											
Mexico	$ 490	0.4	$ 799	0.4	$ 1,402	0.5	$ 2,136	0.6	63	186	336
United States	$ 98,060	72.7	$ 142,510	80.2	$ 251,097	84.4	$ 304,348	86.0	45	156	210
NAFTA Partners	$ 98,550	73.1	$ 143,309	80.7	$ 252,499	84.9	$ 306,485	86.6	45	156	211
The World	$ 134,853	100.0	$ 177,622	100.0	$ 297,509	100.0	$ 353,755	100.0	32	121	162

Source: *Statistics Canada Export Data Sets: Tiers (1988 & 1993); World Trade Atlas (1988 & 1993) (excludes re-exports)*
The FTA entered into force on January 1, 1989. The NAFTA entered into force on January 1, 1994.

Secondary Indicator 4: Provincial Export Comparison (2001, 2002, 2003)

Rank	Province	2003		2002		2001		Change (2003/2002)	
		Export Value ($ million)	% of Total Exports	Export Value ($ million)	% of Total Exports	Export Value ($ million)	% of Total Exports	$	%
1	Ontario	$ 167,673.8	47.4	$ 180,847.7	49.5	$ 178,010.8	47.4	-$ 13,173.8	-7.3
2	Quebec	$ 61,042.7	17.3	$ 65,501.5	17.9	$ 68,167.3	18.2	-$ 4,458.8	-6.8
3	Alberta	$ 58,742.0	16.6	$ 48,694.5	13.3	$ 56,906.9	15.2	$ 8,047.5	16.5
4	British Columbia	$ 28,549.9	8.1	$ 29,024.7	7.9	$ 31,814.1	8.5	-$ 474.8	-1.6
5	Saskatchewan	$ 10,316.1	2.9	$ 11,164.6	3.1	$ 11,656.4	3.1	-$ 848.5	-7.6
6	Manitoba	$ 8,800.1	2.5	$ 9,406.2	2.6	$ 9,576.2	2.6	-$ 606.0	-6.4
7	New Brunswick	$ 8,495.3	2.4	$ 8,161.0	2.2	$ 8,270.8	2.2	$ 334.3	4.1
8	Nova Scotia	$ 5,357.3	1.5	$ 5,225.7	1.4	$ 5,706.7	1.5	$ 131.7	2.5
9	Newfoundland	$ 4,757.9	1.3	$ 5,530.9	1.5	$ 3,463.9	0.9	-$ 773.0	-14.0
10	Northwest Territory	$ 1,373.9	0.4	$ 897.4	0.2	$ 769.4	0.2	$ 476.5	53.1
11	PEI	$ 639.6	0.2	$ 682.9	0.2	$ 666.4	0.2	-$ 43.4	-6.4
12	Yukon	$ 3.7	0.001	$ 4.0	0.001	$ 9.8	0.003	-$ 0.3	-7.0
13	Nunavut	$ 2.1	0.001	$ 151.6	0.04	$ 220.7	0.1	-$ 149.5	-98.6
Canada		$ 353,754.6	100.0	$ 365,292.6	100.0	$ 375,229.4	100.0	-$ 11,538.1	-3.2

Source: *Statistics Canada, World Trade Atlas, March 2, 2004 (excludes re-exports)*

Secondary Indicator 5: Western Canada Exports to FTA/NAFTA Partners

	1988		1993		1998		2003		5-Year % Growth (1988-1993)	10-Year % Growth (1988-1998)	15-Year % Growth (1988-2003)
	$ Value	% of Total Exports	$ Value	% of Total Exports	$ Value	% of Total Exports	$ Value	% of Total Exports			
Exports from Alberta to:											
Mexico	$ 78	0.6	$ 84	0.4	$ 287	0.9	$ 406	0.7	8	268	421
United States	$ 9,086	69.3	$ 16,693	81.7	$ 25,281	81.5	$ 51,120	90.1	84	178	463
NAFTA Partners	$ 9,164	69.9	$ 16,777	82.1	$ 25,567	82.4	$ 51,527	90.8	83	179	462
The World	$ 13,106	100.0	$ 20,424	100.0	$ 31,010	100.0	$ 56,742	100.0	56	137	333
Exports from Western Canada (Manitoba, Saskatchewan, Alberta and B.C.) to:											
Mexico	$ 195	0.5	$ 295	0.6	$ 760	1.0	$ 917	0.9	51	290	370
United States	$ 20,285	51.6	$ 31,957	66.0	$ 53,116	70.8	$ 83,512	80.0	58	162	312
NAFTA Partners	$ 20,480	52.1	$ 32,252	66.6	$ 53,876	71.8	$ 84,430	80.9	57	163	312
The World	$ 39,310	100.0	$ 48,445	100.0	$ 75,048	100.0	$ 104,408	100.0	23	91	166
Exports from Canada to:											
Mexico	$ 490	0.4	$ 799	0.4	$ 1,402	0.5	$ 2,136	0.6	63	186	336
United States	$ 98,060	72.7	$ 142,510	80.2	$ 251,097	84.4	$ 304,348	86.0	45	156	210
NAFTA Partners	$ 98,550	73.1	$ 143,309	80.7	$ 252,499	84.9	$ 306,485	86.6	45	156	211
The World	$ 134,853	100.0	$ 177,622	100.0	$ 297,509	100.0	$ 353,755	100.0	32	121	162

Source: *Statistics Canada Export Data Sets: Tiers (1988 & 1993); World Trade Atlas (1988 & 1993) (excludes re-exports)*
The FTA entered into force on January 1, 1989. The NAFTA entered into force on January 1, 1994.

APPENDIX 3:
INTERNATIONAL / INTERGOVERNMENTAL AGREEMENTS LISTING

EFFECTIVE DATE (D/M/Y)	PARTIES INVOLVED & AGREEMENT TITLE	ALBERTA MINISTRY /AGENCY
17/10/2003 (Renewal)	**Alberta-Northwest Territories:** "Alberta-NWT Memorandum of Understanding for Cooperation and Development"	Aboriginal Affairs & Northern Development
31/03/2004	**Alberta-Canada:** "Fort McKay First Nation Settlement Agreement"	Aboriginal Affairs & Northern Development
31/03/2004	**Alberta-Canada:** "The Aboriginal Workforce Participation Initiative"	Aboriginal Affairs & Northern Development
18/08/2003	**Alberta-Canada:** "Agreement to Establish a Joint Review Panel for the Jackpine Mine Project"	Alberta Energy & Utilities Board
18/08/2003	**Alberta-Canada:** "Agreement to Establish a Joint Review Panel for the Horizon Oil Sands Project"	Alberta Energy & Utilities Board
01/09/2003	**Alberta-Canada, Agriculture:** "Canada-Alberta Agreement-Cull Animal Program"	Agriculture, Food & Rural Development
29/09/2003	**Alberta-Canada:** "Canada-Alberta 2003 Producer Assistance Agreement"	Agriculture, Food & Rural Development
15/02/2004	**Alberta-Canada, Agriculture:** "Letter of Agreement, Water Quality Treatment Trailer Loan"	Agriculture, Food & Rural Development
01/11/2003	**Alberta-Statistics Canada:** "Contract# 288-04 with Statistics Canada to Acquire Data to Research and Evaluate Sub-Provincial and Provincial Indicators of Financial Performance in Alberta"	Agriculture, Food & Rural Development
30/10/2003	**Alberta-China, Heilongjiang:** "Memorandum of Understanding between the Institute of Applied Microbiology, Heilongjiang Academy of Sciences and the Crop Diversification Division of Alberta Agriculture, Food and Rural Development"	Agriculture, Food & Rural Development
01/04/2003	**Alberta-Canada:** "Agricultural Policy Framework Implementation Agreement"	Agriculture, Food & Rural Development
10/12/2003 (Amendment)	**Alberta-Canada:** "Agriculture Policy Framework Implementation Amending Agreement No.1"	Agriculture, Food & Rural Development
30/12/2003 (Amendment)	**Alberta-Canada:** "Agriculture Policy Framework Implementation Amending Agreement No.2"	Agriculture, Food & Rural Development
30/12/2003 (Amendment)	**Alberta-Canada:** "Agriculture Policy Framework Implementation Amending Agreement No.3"	Agriculture, Food & Rural Development
29/07/2003	**Alberta-Canada:** " Agreement Establishing the BSE Recovery Program (CABSERP)"	Agriculture, Food & Rural Development
30/12/2003 (Amendment)	**Alberta-Canada:** " Agreement Establishing the BSE Recovery Program Amendment No.1"	Agriculture, Food & Rural Development

EFFECTIVE DATE (D/M/Y)	PARTIES INVOLVED & AGREEMENT TITLE	ALBERTA MINISTRY /AGENCY
30/12/2003 (Amendment)	**Alberta-Canada:** " Agreement Establishing the BSE Recovery Program Amendment No.2"	Agriculture, Food & Rural Development
08/12/2003	**Alberta-British Columbia-Canada:** "National Beef Industry Development Fund Letter of Agreement"	Agriculture, Food & Rural Development
01/12/2003	**Alberta-Canada:** "Memorandum of Understanding to Develop a User-Friendly Model that Shows the Influence of Agronomic and Rotation Factors on the Persistence of Imidazoline-Resistant Wheat Volunteers"	Agriculture, Food & Rural Development
01/04/2003	**Alberta-Canada:** "Contribution to deliver Environmental Farms Plans in Alberta"	Agriculture, Food & Rural Development
17/10/2003 (Renewal)	**Alberta-China:** "Memorandum of Understanding Between the Ministry of Agriculture of the People's Republic of China and Alberta on Strengthening Cooperation in Agricultural Production and Processing"	Agriculture, Food & Rural Development & Community Development
22/03/2004	**Alberta-Canada:** "Letter of Agreement for Access to a Natural Resources Canada Database"	Energy
22/04/2003	**Alberta-Saskatchewan:** "Letter of Understanding to provide Environmental Management System (EMS) Software to Saskatchewan Environment"	Environment
21/08/2003	**Alberta-Canada Competition Bureau-RCMP-United States Federal Trade Commission-United States Postal Service:** "Memorandum of Understanding to Combat Cross Border Deceptive Telemarketing Practices"	Government Services
30/07/2003	**Alberta-Canada:** "Registries Online- Electronic Access Agreement"	Government Services
03/02/2004	**Alberta-British Columbia:** "Registries Online- Electronic Access Agreement to British Columbia Department of Finance for Remote Access Searches"	Government Services
27/10/2003 (Amendment)	**Alberta-British Columbia:** "Amending Agreement for Providing Health Services to British Columbia Residents"	Health and Wellness
07/08/2003 (Amendment)	**Alberta-Northwest Territories:** "Amending Agreement on Rates Paid to the Capital Health Authority for Rates Paid for Emergency, In-Patient, and Out-Patient Hospital Services"	Alberta Health and Wellness
01/04/2003	**Alberta-Western Provinces:** "Letter of Agreement for Continuation of WHICH Secretariat Funding"	Health and Wellness
01/04/2003	**Alberta-Canada:** "Memorandum of Understanding to Examine Environmental Pathways and the Fate of Toxic Contaminants"	Health and Wellness
01/04/2003	**Alberta-Canada:** "Tuberculosis Control for On-Reserve First Nations Residents in Alberta"	Health and Wellness
22/07/2003	**Alberta-Canada:** "Memorandum of Understanding on Evaluation of Non-Prescription Needle Use Consortium"	Health and Wellness

EFFECTIVE DATE (D/M/Y)	PARTIES INVOLVED & AGREEMENT TITLE	ALBERTA MINISTRY /AGENCY
21/07/2003	**Alberta-Canada:** "Memorandum of Understanding to Collaborate in the World Health Organization's Countrywide Integrated Non-Communicable Diseases Intervention Program"	Health and Wellness
26/07/2003	**Alberta-Canada:** "Primary Health Care Transition Fund – Multi Jurisdictional Envelope Contribution Agreement"	Health and Wellness
22/05/2004	**Alberta-Canada:** "Memorandum of Agreement for Delivery of Telehealth Infrastructure and Services to First Nations"	Health and Wellness
01/07/2003	**Alberta-British Columbia:** "Contract to Host the Management Information System Capture Application for Alberta"	Health and Wellness
01/04/2003 (Renewal)	**Alberta-Canada:** " Project Funding Agreement Child Centred Family Justice Services"	Justice
01/04/2003 (Renewal)	**Alberta-Canada:** "Agreement Respecting Legal Aid in Criminal Law, *Youth Criminal Justice Act* and Immigration and Refugee Matters"	Justice
08/10/2003	**Alberta-British Columbia:** "Memorandum of Understanding, Protocol for Cooperation and Development – Acquisition and Delivery of Learning Resources"	Learning
16/06/2003	**Alberta-Canada:** "Memorandum of Understanding Regarding Provincially Provided Educational Instruction and Materials to Inmates at Federal Penitentiary in the Prairie Region"	Learning
02/07/2003	**Alberta-Canada:** "Agreement for the Disclosure by Canada to Alberta Information from the Canada Student Loans Program"	Learning
01/09/2003	**Alberta-Northwest Territories:** "Alberta-NWT International Qualifications Assessment Service Agreement"	Learning
26/11/2003	**Alberta-Northwest Territories:** "Letter of Intent to Facilitate Cooperation Between Alberta and Northwest Territories in the Provision of Training Opportunities by the Northern Institute of Technology and Aurora College"	Learning
01/01/2004	**Alberta-British Columbia:** "Individual Learning Modules Printing and Distribution Agreement"	Learning
12/12/2003	**Alberta-Canada:** "Provisional Arrangements for Minority-Language and Second-Language Instruction for 2003-2004"	Learning
11/04/2003	**Alberta-Denmark:** "Teacher Exchange Program Memorandum of Understanding Between Det Danske Kulturinstitut (Denmark) and Alberta"	Learning
18/02/2004	**Alberta-Northwest Territories:** "Memorandum of Agreement Regarding the Production and Marketing of Apprenticeship Support Materials"	Learning

EFFECTIVE DATE (D/M/Y)	PARTIES INVOLVED & AGREEMENT TITLE	ALBERTA MINISTRY /AGENCY
19/02/2004	**Alberta-Trinidad and Tobago:** "Memorandum of Understanding Between National Energy Skills Center, Trinidad and Tobago"	Learning
01/01/2004	**Alberta-Canada, Citizenship and Immigration:** "Agreement on Post-Graduation Employment for Foreign Students"	Learning
22/01/2004	**Alberta-Canada, Canada Customs and Revenue Agency:** "Memorandum of Understanding with Respect to Income Verification"	Learning
09/02/2004	**Alberta-Canada-RCMP:** "Memorandum of Understanding on Student Finances Investigation"	Learning
07/08/2003	**Alberta-Vietnam:** "Memorandum of Understanding Between the Ministry of Labour, Invalids, and Social Affairs of the Socialist Republic of Vietnam and the Ministry of Learning Relating to Cooperation Between the Two Parties"	Learning
23/02/2004	**Alberta-Saxony, Germany:** "Memorandum of Understanding between the Alberta Learning and the Ministry of Education and Sport, Saxony, Germany"	Learning
07/08/2003	**Alberta-Vietnam:** "Memorandum of Understanding Between the Province of Alberta and the Ministry of Agriculture and Rural Development of the Socialist Republic of Vietnam"	Learning & Agriculture, Food & Rural Development
23/04/2003	**Alberta-Canada, Public Works and Government Services:** "A Qualification List of Remanufactured Toner Cartridges, Paints, and Carpets"	Alberta Research Council
01/07/2003	**Alberta-Northwest Territories:** "Laboratory Testing of Jet Fuel"	Alberta Research Council
10/10/2003	**Alberta-British Columbia:** "Acid Gas Injection Study Phase IIIA-1"	Alberta Research Council
23/03/2004	**Alberta-Saskatchewan:** "Evaluation of Data/Assessing Modelling Approaches for South Saskatchewan River Basin"	Alberta Research Council
18/12/2003	**Alberta-Canada:** "Contribution Agreement: Bioherbicide for Chickweed"	Alberta Research Council
30/03/2004	**Alberta-Canada:** "Contribution Agreement: Acid Gas Injection Study Phase IIIA-1"	Alberta Research Council
02/01/2004	**Alberta-Canada:** "Contribution Agreement:CCTII – Characterization of a Thermophilic, Methanogenic Culture"	Alberta Research Council
11/03/2004	**Alberta-Canada:** "Contribution Agreement: Micro-Porous Hollow Fiber for Greenhouse Gas Separation"	Alberta Research Council
29/03/2004	**Alberta-Canada:** "Contribution Agreement: NRC-Industrial Research Assistance Program for Network Members Contribution Agreement No. 533492"	Alberta Research Council

EFFECTIVE DATE (D/M/Y)	PARTIES INVOLVED & AGREEMENT TITLE	ALBERTA MINISTRY /AGENCY
24/07/2003	**Alberta-Canada:** "Research Agreement: Analyze Concentrations of Selenium and Other Trace Elements in Bird Egg & Composited Insect Samples"	Alberta Research Council
27/01/2004	**Alberta-Canada:** "Contribution Agreement: Land Treatment of Bioremediated Hydrocarbon Contaminated Soils 2003/2004 Workplan"	Alberta Research Council
15/01/2004	**Alberta-Canada:** "Consulting Services Agreement: Statistical Comparison of Sulphur Methods"	Alberta Research Council
13/11/2003	**Alberta-Canada:** "Letter of Agreement: Supplying Petroleum Analysis Services to CANMET in Devon"	Alberta Research Council
21/07/2003	**Alberta-Canada:** "Sample Fuel Analysis Standing Offer"	Alberta Research Council
18/06/2003	**Alberta-Canada:** "Standing Offer Agreement: Regional Individual Standing Offer Fuel Analysis Testing"	Alberta Research Council
18/09/2003	**Alberta-Canada:** "Research Agreement: Statistical Analysis"	Alberta Research Council
01/04/2003	**Alberta-Canada:** "Service Agreement: Providing Library Services to Natural Resources Canada at the Western Research Centre 2003/2004"	Alberta Research Council
23/05/2003	**Alberta-Canada:** "Service Agreement: ARC Providing Information and Telecommunications Services to National Research Council"	Alberta Research Council
20/11/2003	**Alberta-Canada:** "Service Agreement: System Assessment for Remote Control Cableway Traveller"	Alberta Research Council
23/12/2003	**Alberta-Canada:** "Contribution Agreement: Paraguay Project"	Alberta Research Council
01/03/2004	**Alberta-Canada:** "Research Agreement: Mouse Subcutaneous IP Batch Test"	Alberta Research Council
28/10/2003	**Alberta-Canada:** "Research Agreement: Toxicity Testing of Abietivirus (Neodiprion abietis nucleopolyhederovirus or NeabNPV)"	Alberta Research Council
18/08/2003	**Alberta-Canada:** "Climate Change Technology Development and Innovation Program – Green House Gas Initiative"	Alberta Research Council
11/12/2003	**Alberta-Canada:** "Memorandum of Understanding Respecting the Conveyance to Alberta Revenue of Personal Information that Identifies Registered Indians"	Revenue
01/09/2003	**Alberta-Canada:** "Agreement Relating to the Collection of Tobacco Taxes with Respect to Tobacco Imported by Consumers"	Revenue

EFFECTIVE DATE (D/M/Y)	PARTIES INVOLVED & AGREEMENT TITLE	ALBERTA MINISTRY /AGENCY
16/03/2004	**Alberta-Quebec:** "Memorandum of Agreement: Alberta Securities Commission on Behalf of the Canadian Securities Administrators Autorité des Marchés Financiers (Autorité)"	Alberta Securities Commission
16/01/2004	**Alberta-Canada:** "Agreement for Income Verification and Seniors Benefits"	Seniors
22/01/2004	**Alberta-Canada:** "One-Time Funding for First Nations Police Services"	Solicitor General
29/04/2003	**Alberta-Canada:** "Secondment of RCMP Member to the Solicitor General of Alberta, Public Security Division"	Solicitor General
01/04/2003 (Renewal)	**Alberta-Canada:** "Auxiliary RCMP Program Agreement"	Solicitor General
01/04/2003 (Renewal)	**Alberta-Canada-Alexis First Nation:** "Community Tripartite Agreement for the RCMP First Nations Community Policing Service (FNCPS)"	Solicitor General
01/07/2003	**Alberta-Canada:** "Organized Crime Agreement (Integrated Organized Crime and Gang Enforcement Unit) IROC"	Solicitor General
12/08/2003	**Canada-Alberta:** "Contribution Agreement: Deployment and Integration of Intelligent Transportation Systems"	Transportation
10/12/2003	**Alberta-British Columbia:** "Memorandum of Understanding Regarding Joint Facilities/ Weigh Scales and Traveller Information Along the Common Border"	Transportation
08/10/2003	**Alberta-British Columbia:** " Memorandum of Understanding Partnership on Child Welfare"	Children's Services
17/10/2003	**Alberta-Canada-Blood Tribe:** "The Blood Tribe Governance and Child Welfare Agreement-in-Principle"	Children's Services & Aboriginal Affairs & Northern Development
01/04/2003 (Renewal)	**Alberta-Hokkaido, Japan:** "Agreement for Friendship and Sports Exchange"	Community Development
29/06/2003	**Alberta-Canada:** "Letter of Agreement to Second Michael Payne to Parks Canada"	Community Development
08/10/2003	**Alberta-British Columbia:** "Memorandum of Understanding, British Columbia-Alberta Tourism Initiative"	Economic Development
13/08/2003	**Alberta-Canada:** "Canada-Alberta Western Economic Partnership Agreement"	Economic Development
30/11/2003	**Alberta-All Other Provinces:** "Letter of Agreement on Travel Activities and Motivation Surveys (TAMS)"	Economic Development
15/05/2003	**Alberta-British Columbia:** "General Services Contract with Tourism British Columbia Regarding the Alaska Highway"	Economic Development

EFFECTIVE DATE (D/M/Y)	PARTIES INVOLVED & AGREEMENT TITLE	ALBERTA MINISTRY /AGENCY
07/04/2003	**Alberta-Canada:** "Agreement Relating to the Communication of Information on Benefits Payable Under the *Old Age Security Act* and the Assignment of Old Age Security Benefits to the Province of Alberta	Human Resources & Employment
07/04/2003	**Alberta-Canada:** "Information Sharing Agreement Relating to the Benefits Payable under the Canada Pension Plan and the Assignment of Canada Pension Plan Benefits to the Province of Alberta"	Human Resources & Employment
09/08/2003	**Alberta- Canada:** "Memorandum of Understanding Relating to the Communication of Information for the Purpose of Uncovering Sponsorship Default"	Human Resources & Employment
16/06/2003 (Renewal)	**Alberta-University of Alberta-Heilongjiang, China:** "Heilongjiang Executive Management Training Program – 2003"	International & Intergovernmental Relations
08/10/2003	**Alberta-British Columbia:** "Protocol of Cooperation"	Premier's Office
22/09/2003	**Alberta-Jalisco, Mexico:** "Memorandum of Understanding on Cooperation"	Sustainable Resource Development
06/05/2003	**Alberta-Alberta Conservation Association-Northwest Territories:** "Memorandum of Agreement Regarding the Fisheries and Wildlife Management Information System"	Sustainable Resource Development
30/01/2004	**Alberta-Canada:** "Canada's National Forest Inventory Data Sharing Agreement"	Sustainable Resource Development
30/01/2004	**Alberta-Canada:** "GeoBase Revenue Replacement Agreement (Letter of Agreement)"	Sustainable Resource Development
27/07/2003	**Alberta-Canada:** "Annex to the Memorandum of Understanding Concerning Cooperative Programs Related to Maintenance and Delivery of the Canadian Spatial Reference System (Letter of Agreement)"	Sustainable Resource Development
07/11/2003	**Alberta-Canada:** "Letter of Agreement Between Provincial/Territorial Forum on Geomatics and Natural Resources Canada"	Sustainable Resource Development
05/07/2004 (Renewal)	**Alberta-Canada-United States:** "Canada/United States Reciprocal Forest Fighting Arrangement – Operational Guidelines for 2004"	Sustainable Resource Development
14/09/2004 (Renewal)	**Alberta-Canada:** "Canadian Interagency Forest Fire Centre Mutual Aid Resources Sharing Agreement – Implementation Guidelines for 2004"	Sustainable Resource Development
07/12/2003 (Renewal)	**Alberta-British Columbia:** "Alberta/British Columbia Border Zone Agreement"	Sustainable Resource Development

EFFECTIVE DATE (D/M/Y)	PARTIES INVOLVED & AGREEMENT TITLE	ALBERTA MINISTRY /AGENCY
21/09/2003 (Renewal)	**Alberta-Canada:** "Canada/Alberta Agreement for Indian Reserves and Settlements"	Sustainable Resource Development
10/02/2004 (Renewal)	**Alberta-Saskatchewan:** "Alberta/Saskatchewan Border Zone Agreement"	Sustainable Resource Development
19/07/2003 (Renewal)	**Alberta-Canada:** "Memorandum of Understanding for Wildland Fire Management Between Canada/Alberta"	Sustainable Resource Development
01/04/2003 (Renewal)	**Alberta-Canada:** "Memorandum of Agreement – Canada/Alberta, Cold Lake Air Weapons Range"	Sustainable Resource Development
13/05/2003 (Renewal)	**Alberta-Northwest Territories:** "Alberta/Northwest Territories Fire Cooperation Zone Agreement"	Sustainable Resource Development

APPENDIX 4:
ALPHABETICAL LIST OF ENTITIES' FINANCIAL STATEMENTS IN 2003-2004 ANNUAL REPORTS

The financial statements of the following organizations are consolidated in these financial statements:

Offices of the Legislative Assembly

Support to the Legislative Assembly
Office of the Auditor General
Office of the Ombudsman
Office of the Chief Electoral Officer
Office of the Ethics Commissioner
Office of the Information and Privacy Commissioner

Departments

Aboriginal Affairs and Northern Development
Agriculture, Food and Rural Development
Children's Services
Community Development
Economic Development
Energy
Environment
Executive Council
Finance
Gaming
Government Services
Health and Wellness
Human Resources and Employment
Infrastructure
Innovation and Science
International and Intergovernmental Relations
Justice
Learning
Municipal Affairs
Revenue
Seniors
Solicitor General
Sustainable Resource Development
Transportation

Regulated Funds

Alberta Heritage Foundation for Medical Research Endowment Fund
Alberta Heritage Savings Trust Fund
Alberta Heritage Scholarship Fund
Alberta Heritage Science and Engineering Research Endowment Fund
Alberta Risk Management Fund
Alberta School Foundation Fund
Crop Reinsurance Fund of Alberta
Environmental Protection and Enhancement Fund
Historic Resources Fund
Lottery Fund
Provincial Judges and Masters in Chambers Reserve Fund
Supplementary Retirement Plan Reserve Fund
Victims of Crime Fund

Provincial Agencies

Agriculture Financial Services Corporation
Alberta Alcohol and Drug Abuse Commission
Alberta Capital Finance Authority (a)
Alberta Dairy Control Board (b)
Alberta Energy and Utilities Board
Alberta Foundation for the Arts
The Alberta Historical Resources Foundation
Alberta Informatics Circle of Research Excellence Inc.
Alberta Municipal Financing Corporation (a)
Alberta Pensions Administration Corporation
Alberta Petroleum Marketing Commission
Alberta Research Council Inc.
Alberta Science and Research Authority
Alberta Securities Commission
Alberta Social Housing Corporation
Alberta Sport, Recreation, Parks and Wildlife Foundation
Awasak Child and Family Services Authority (b)
Calgary and Area Child and Family Services Authority
Calgary Rocky View Child and Family Services Authority (b)
Central Alberta Child and Family Services Authority
Child and Family Services Authority Region 13 (b)
Diamond Willow Child and Family Services Authority (b)
East Central Alberta Child and Family Services Authority
Edmonton and Area Child and Family Services Authority
Edmonton Community Board for Persons with Developmental Disabilities (b)
The Government House Foundation
Hearthstone Child and Family Services Authority (b)
Human Rights, Citizenship and Multiculturalism Education Fund
Keystone Child and Family Services Authority (b)
Ma'Mowe Capital Region Child and Family Services Authority (b)
Metis Settlements Child and Family Services Authority
Natural Resources Conservation Board
Neegan Awas'sak Child and Family Services Authority (b)
North Central Alberta Child and Family Services Authority
Northeast Alberta Child and Family Services Authority
Northwest Alberta Child and Family Services Authority
Persons with Developmental Disabilities Calgary Region Community Board
Persons with Developmental Disabilities Central Region Community Board
Persons with Developmental Disabilities Edmonton Region Community Board
Persons with Developmental Disabilities Michener Centre Facility Board (b)
Persons with Developmental Disabilities Northeast Region Community Board
Persons with Developmental Disabilities Northwest Region Community Board
Persons with Developmental Disabilities Provincial Board
Persons with Developmental Disabilities South Region Community Board
Region 14 Child and Family Services Authority (b)
Ribstone Child and Family Services Authority (b)
Sakaigun Asky Child and Family Services Authority (b)
Sakaw-Askiy Child and Family Services Authority (b)
Silver Birch Child and Family Services Authority (b)
Southeast Alberta Child and Family Services Authority
Southwest Alberta Child and Family Services Authority
West Yellowhead Child and Family Services Authority (b)
The Wild Rose Foundation
Windsong Child and Family Services Authority (b)

Non-Commercial Crown-Controlled Corporation
Alberta Insurance Council

The following organizations are accounted for on the modified equity basis in these financial statements:

Commercial Enterprises
Alberta Gaming and Liquor Commission
The Alberta Government Telephone Commission
Alberta Treasury Branches
Credit Union Deposit Guarantee Corporation
N.A. Properties (1994) Ltd.

Commercial Crown-Controlled Corporation
Gainers Inc.

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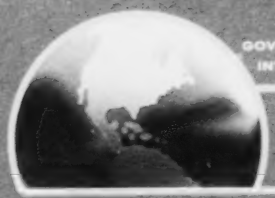
[a] *Alberta Municipal Financing Corporation was renamed Alberta Capital Finance Authority during 2003-2004.*

[b] *Dissolved or merged with another entity in 2003-04.*



GOVERNMENT OF ALBERTA MINISTRY OF
INTERNATIONAL AND INTERGOVERNMENTAL RELATIONS

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Alberta
GOVERNMENT OF ALBERTA